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12 Attorneys for Plaintiff and
13 Cross-Defendant CHURCH OF SCIENTOLOGY
14 INTERNATIONAL

RECEIVED

MAR 03 1994

HUB LAW OFFICES

15 SUPERIOR COURT OF THE STATE OF CALIFORNIA

16 FOR THE COUNTY OF MARIN

17 CHURCH OF SCIENTOLOGY) CASE NO. 157 680
18 INTERNATIONAL, a California not-)
19 for-profit religious corporation;) SECOND REQUEST FOR JUDICIAL
20) NOTICE
21 Plaintiffs,)
22 vs.) DATE: March 25, 1994
23) TIME: 9:00 a.m.
24 GERALD ARMSTRONG; MICHAEL WALTON;) DEPT: 1
25 et al.,)
26 Defendants.)
27) DISCOVERY CUT-OFF: None
28) MOTION CUT-OFF: None
29) TRIAL DATE: None
30 _____)
31 GERALD ARMSTRONG,)
32 Cross-Complainant,)
33 vs.)
34)
35 CHURCH OF SCIENTOLOGY)
36 INTERNATIONAL, a California)
37 Corporation; DAVID MISCAVIGE;)
38 DOES 1 to 100;)
39 Cross-Defendant.)
40 _____)

41 Plaintiff and cross-defendant, Church of Scientology
42 International requests that this Court take judicial notice of
43 the following records of the Superior Court of the County of Los

1 Angeles of the State of California, pursuant to Evidence Code
2 Sections 452 and 453:

3 1. The First Amended Verified Complaint for Damages and
4 for Preliminary and Permanent Injunctive Relief for Breach of
5 Contract, filed on June 4, 1992 in the case of Church of
6 Scientology International v. Gerald Armstrong, et al., Los
7 Angeles Superior Court, Case No. BC 052395, a certified copy of
8 which is attached hereto as Exhibit 1;

9 2. The Minute Order, Ruling on the Plaintiff's Motion for
10 Preliminary Injunction, issued on May 28, 1992, in the case of
11 Church of Scientology International v. Gerald Armstrong, et al.,
12 Los Angeles Superior Court, Case No. BC 052395, a certified copy
13 of which is attached hereto as Exhibit 2; and

14 3. The Amended Answer of Gerald Armstrong and the Gerald
15 Armstrong Corporation to Amended Complaint, filed on October 7,
16 1992, a certified copy of which is attached hereto as Exhibit 3.
17 Verified Cross-Complaint for Abuse of Process, filed in the
18 instant action on November 30, 1993, in the case of Church of
19 Scientology International v. Gerald Armstrong, et al., Los
20 Angeles Superior Court, Case No. BC 052395, a copy of which is
21 attached hereto for the Court's convenience as Exhibit 3.

22 Dated: March 1, 1994

Respectfully Submitted,

23 Andrew H. Wilson
24 WILSON, RYAN & CAMPILONGO

25 BOWLES & MOXON

26
27 By:

Laurie J. Bartilson
Laurie J. Bartilson *by com*

28 Attorneys for Plaintiff and

Cross-Defendant Church of
Scientology International

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13 Attorneys for Plaintiff
14 CHURCH OF SCIENTOLOGY INTERNATIONAL

FILED

JK JUN - 4 1992
JAMES H. DEMPSEY, CLERK
BY S. ROBLES, DEPUTY

15 SUPERIOR COURT OF THE STATE OF CALIFORNIA
16 FOR THE COUNTY OF LOS ANGELES

17 CHURCH OF SCIENTOLOGY)	Case No. BC 052395
18 INTERNATIONAL, a California)	
19 not-for-profit religious)	NOTICE OF FILING
20 corporation;)	AMENDED COMPLAINT IN
21 Plaintiff,)	LIEU OF OPPOSITION TO
22 vs.)	DEMURRER AND MOTION TO
23)	STRIKE
24)	
25 GERALD ARMSTRONG; DOES 1)	Date: June 11, 1992
26 through 25, inclusive,)	Time: 8:30 a.m.
27)	Dept: 30
28)	NO TRIAL DATE
)	NO DISCOVERY CUT-OFF
)	NO MOTION CUT-OFF

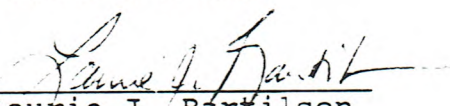
29 TO THE COURT, ALL PARTIES, AND ALL ATTORNEYS OF RECORD:
30
31 PLEASE TAKE NOTICE that, pursuant to Code of Civil Procedure
32 Section 472, plaintiff has filed in the above-entitled action,
33 prior to hearing on defendant's pending demurrer and motion to
34 strike, an AMENDED VERIFIED COMPLAINT, a copy of which is
35 attached hereto as Exhibit 1. In their demurrer, defendant
36 asserted that plaintiff had failed to include a conclusory
37 allegation concerning the adequacy of the consideration upon
38

1 which this breach of contract action is premised. Although
2 plaintiff disputes defendant's interpretation of the law
3 concerning this matter, plaintiff has included the language noted
4 by defendant in its Amended Complaint, along with six additional
5 claims for relief, all of which either arose, or were brought to
6 plaintiff's attention, since the time of filing of the original
7 complaint and request for preliminary injunction. On May 28,
8 1992, plaintiff's motion for preliminary injunction in this
9 action was granted by the Honorable Ronald Sohigian of this
10 Court.

11 Defendant's demurrer and motion to strike, which pertained
12 to the original complaint, are thus rendered moot, and should be
13 removed from the Court's calendar.

14 DATED: June 4, 1992

Respectfully submitted,
Andrew H. Wilson
WILSON, RYAN & CAMPILONGO
BOWLES & MOXON

17
18 By: 
Laurie J. Bartilson

Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY
INTERNATIONAL

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CHURCH OF SCIENTOLOGY INTERNATIONAL
9

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 FOR THE COUNTY OF MARIN

12 CHURCH OF SCIENTOLOGY) Case No. BC 052395
INTERNATIONAL, a California)
13 not-for-profit religious)
corporation;) AMENDED VERIFIED COMPLAINT
14) FOR DAMAGES AND FOR
Plaintiff,) PRELIMINARY AND PERMANENT
15) INJUNCTIVE RELIEF FOR
vs.) BREACH OF CONTRACT
16)
17)
GERALD ARMSTRONG;)
DOES 1-25 INCLUSIVE)
18)
Defendants.)
19)

20 Plaintiff, by its attorneys, Wilson, Ryan & Campilongo and
21 Bowles & Moxon, for its Amended Complaint, alleges:

22 NATURE OF THE ACTION

23 1. In violation of the express terms and spirit of a
24 settlement agreement ("the Agreement") entered into in December,
25 1986, defendant Gerald Armstrong ("Armstrong") has embarked on a
26 deliberate campaign designed to aid plaintiff's litigation
27 adversaries, breach the confidentiality provisions of the
28 Agreement, and foment litigation, hatred and ill-will toward
plaintiff.

1 2. Five years ago, plaintiff Church of Scientology
2 International ("CSI") entered into the Agreement with Armstrong,
3 on its own behalf and for the benefit of numerous third-party
4 beneficiaries. The Agreement provided for a mutual release and
5 waiver of all claims arising out of a cross-complaint which
6 defendant Armstrong had filed in the case of Church of
7 Scientology of California v. Gerald Armstrong, Los Angeles
8 Superior Court No. C 420153. Armstrong, a former Church member
9 who sought, by both litigation and covert means, to disrupt the
10 activities of his former faith, displayed through the years an
11 intense and abiding hatred for the Church, and an eagerness to
12 annoy and harass his former co-religionists by spreading enmity
13 and hatred among members and former members. Plaintiff sought,
14 with the Agreement, to end all of Armstrong's covert activities
15 against it, along with the litigation itself. For that reason,
16 the Agreement contained carefully negotiated and agreed-upon
17 confidentiality provisions and provisions prohibiting Armstrong
18 from fomenting litigation against plaintiff by third parties.
19 These provisions were bargained for by plaintiff to put an end to
20 the enmity and strife generated by Mr. Armstrong once and for
21 all.

22 3. This action arises out of deliberate and repeated
23 breaches by Armstrong of these and other express provisions of
24 the Agreement. Although plaintiff fully performed all of its
25 obligations under the Agreement, Armstrong never intended to keep
26 his part of the bargain and maintains that he considered the
27 referenced provisions to be unenforceable ab initio. As soon as
28 he finished spending the money he extracted from plaintiff as the

1 price of his signature, in June 1991, Armstrong began a
2 systematic campaign to foment litigation against plaintiff by
3 providing confidential information, copies of the Agreement,
4 declarations, and "paralegal" assistance to litigants actively
5 engaged in litigation against his former adversaries. Although
6 plaintiff has repeatedly demanded that Armstrong end his constant
7 and repeated breach of the provisions of the Agreement, Armstrong
8 appears to delight in renewing his annoying and harassing
9 activities, admitting to them in sworn declarations, and refusing
10 to end his improper liaisons.

11 4. With this Complaint, plaintiff seeks the Court's aid in
12 obtaining the peace for which it bargained more than five years
13 ago. Plaintiff requests liquidated damages pursuant to the terms
14 of the Agreement, as well as injunctive relief to prevent
15 additional and future breaches of the Agreement by Armstrong.

16 THE PARTIES

17 5. Plaintiff Church of Scientology International is a non-
18 profit religious corporation incorporated under the laws of the
19 State of California, having its principal offices in Los Angeles,
20 California. Plaintiff CSI is the Mother Church of the
21 Scientology religion.

22 6. Defendant Gerald Armstrong is a resident of Marin
23 County, California.

24 7. Plaintiff is ignorant of the names and capacities of
25 the defendants identified as DOES 1 through 25, inclusive, and
26 thus brings suit against those defendants by their true names
27 upon the ascertainment of their true names and capacities, and
28 their responsibility for the conduct alleged herein.

1 who would be willing to assist him in overthrowing Church
2 leadership. The Church obtained information about Armstrong's
3 plans and, through a police-sanctioned investigation, provided
4 Armstrong with the "defectors" he sought. On four separate
5 occasions in November, 1984, Armstrong met with two individuals
6 that he considered to be defectors, whom he knew as "Joey" and
7 "Mike." In reality, both "Joey" and "Mike" were loyal Church
8 members who, with permission from the Los Angeles police, agreed
9 to have their conversations with Armstrong surreptitiously
10 videotaped. During the course of these conversations, Armstrong:

- 11 a. Demanded that "Joey" provide him with copies of
12 documents published by the Churches so that he
13 could forge documents in the same style.
14 Armstrong wanted "Joey" to then plant these
15 Armstrong creations in the Church's files so that
16 Armstrong could tip off the Internal Revenue
17 Service Criminal Investigations Division ("CID"),
18 and the incriminating documents would be found in
19 a resulting raid;
- 20 b. Sought to "set up" the defection of a senior
21 Scientologist by finding a woman to seduce him;
- 22 c. Told "Joey" all about his conversations with Al
23 Lipkin, an investigator for the L.A. CID, and
24 attempted to get "Joey" to call Lipkin and give
25 him false information that would implicate the
26 Church's leaders in the misuse of donations; and
- 27 d. Instructed "Mike" on the methods of creating a
28 lawsuit against the Church leadership based on

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nothing at all:

ARMSTRONG: They can allege it. They can allege it. They don't even have -- they can allege it.

RINDER: So they don't even have to have the document sitting in front of them and then --

ARMSTRONG: F__ing say the organization destroys the documents.

* * *

Where are the -- we don't have to prove a goddamn thing. We don't have to prove s__t; we just have to allege it.

Given Armstrong's propensity to create trouble for the Churches regardless of truth, the Churches naturally considered such provisions to be an integral and necessary part of any settlement.

13. The Agreement also provided that plaintiff CSI would pay to Armstrong's attorney, Michael Flynn, a lump sum amount intended to settle not just Armstrong's case, but the cases of other clients of Mr. Flynn as well, and that Mr. Flynn would pay to Armstrong a portion of that settlement amount. The exact amount of the portion to be paid to Armstrong by Mr. Flynn was maintained as confidential between Mr. Flynn and Armstrong.

14. CSI paid to Mr. Flynn the lump sum settlement amount.

15. Mr. Flynn paid to Armstrong his confidential portion of the lump sum settlement amount.

16. The consideration paid to Armstrong was fair, reasonable and adequate. Plaintiff CSI has performed all of its obligations pursuant to the Agreement.

///

///

1 FIRST CAUSE OF ACTION

2 (Against Armstrong for Breach of Contract)

3 17. Plaintiff realleges paragraphs 1 - 16, inclusive, and
4 incorporates them herein by reference.

5 18. Vicki and Richard Aznaran ("the Aznarans") are former
6 Scientology parishioners currently engaged in litigation against,
7 inter alia, RTC and CSI, in the case of Vicki J. Aznaran, et al.
8 v. Church of Scientology of California, et al., United States
9 District Court for the Central District of California, Case No.
10 CV 88-1786 JMI (Ex).

11 19. In June, 1991, the Aznarans discharged their attorney,
12 Ford Greene, and retained attorney Joseph A. Yanny to represent
13 them.

14 20. While acting as the Aznarans' counsel, Yanny hired
15 Gerald Armstrong as a paralegal to help Yanny on the Aznaran
16 case.

17 21. In July, 1991, Armstrong agreed to travel from Marin
18 County to Los Angeles and asked Yanny to pay him \$500 for his
19 proposed help.

20 22. In July, 1991, Armstrong did travel to Los Angeles as
21 he had agreed, stayed with Yanny on July 15 and July 16, 1991,
22 and provided Yanny with paralegal assistance and a declaration
23 for the Aznaran case.

24 23. Yanny is former counsel to CSI, and his substitution
25 into the case was vacated by the Court sua sponte on July 24,
26 1991, the Court noting that Yanny's retention as the Aznarans'
27 counsel was "highly prejudicial" to CSI.

28 24. Armstrong's acceptance of employment by Yanny to work

1 on the Aznarans' litigation is a direct violation of Paragraphs
2 7(G) and 10 of the Agreement.

3 25. As a direct and proximate result of Armstrong's breach
4 of the agreement by providing paralegal assistance to Yanny in
5 the Aznarans' litigation, plaintiff has incurred damages which
6 are not presently calculable. In no event, however, are they
7 less than the jurisdictional minimum of this Court. Consequently,
8 for this breach plaintiff seeks compensatory and consequential
9 damages according to proof.

10 SECOND CAUSE OF ACTION

11 (Against Armstrong for Breach of Contract)

12 26. Plaintiff realleges paragraphs 1-16, 18-25, inclusive,
13 and incorporates them herein by reference.

14 27. After Yanny entered his appearance in the Aznarans'
15 case and indicated to CSI's counsel that he represented Gerald
16 Armstrong as well, CSI brought suit against Yanny in the case of
17 Religious Technology Center, et al. v. Joseph A. Yanny, et al.,
18 Los Angeles Superior Court No. BC 033035 ("RTC v. Yanny"). In
19 that action, plaintiff sought and obtained a Temporary
20 Restraining Order and a Preliminary Injunction against Yanny,
21 which prohibit Yanny from aiding, advising, or representing,
22 directly or indirectly, the Aznarans or Armstrong, on any matters
23 relating to the plaintiff.

24 28. At the hearings before the Court on the temporary
25 restraining order and the injunction, Yanny filed two
26 declarations prepared and executed by Armstrong on July 16, 1991.
27 The declarations were offered by Yanny as part of Yanny's
28 defense, which was ultimately rejected by the Court when it

1 issued its injunction.

2 29. Armstrong's aid to Yanny in the RTC v. Yanny case is a
3 direct violation of Paragraphs 7(G) and 10 of the Agreement.

4 30. Armstrong attached as an exhibit to one of his July 16,
5 1991 declarations a copy of the Agreement, the terms of which he
6 had agreed, pursuant to paragraph 18(D), to keep confidential.
7 This disclosure of the terms of the Agreement is a violation of
8 its non-disclosure provisions, requiring that Armstrong pay to
9 CSI \$50,000 in liquidated damages.

10 31. Despite demand by plaintiff, Armstrong has failed and
11 refused to pay them the \$50,000 owed in liquidated damages for
12 this breach of the Agreement.

13 **THIRD CAUSE OF ACTION**

14 (Against All Defendants for Breach of Contract)

15 32. Plaintiff realleges paragraphs 1-16, 18-25, 27-31,
16 inclusive, and incorporates them herein by reference.

17 33. After Yanny's substitution into the Aznarans' case was
18 summarily vacated, Ford Greene was reinstated as the Aznarans'
19 counsel of record. Ford Greene's law offices are located in San
20 Anselmo, California.

21 34. On or about August, 1991, Armstrong began working in
22 Ford Greene's office as a paralegal on the Aznarans' case. When,
23 thereafter, the Aznarans hired attorney John Elstead to represent
24 them as well, Armstrong provided paralegal services to Elstead as
25 well as Greene. Armstrong's employment in Greene's office has
26 continued to the present. Armstrong's activities constitute a
27 daily and continuing breach of his contract, rendering
28 plaintiff's bargain a nullity.

1 FIFTH CAUSE OF ACTION

2 (For Breach of Contract Against Armstrong)

3 39. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-
4 35, and 37-38, inclusive, and incorporates them hereby reference.

5 40. On or about March 19, 1992, Armstrong, acting through
6 Ford Greene as his agent, transmitted a press release to various
7 members of the media, including the Cable News Network, San
8 Francisco Chronicle, San Francisco Examiner, and the Marin County
9 Independent Journal. A true and correct copy of the press
10 release is attached hereto as Exhibit B. Said press release
11 violated the Agreement in that it constituted disclosures by
12 Armstrong, through Ford Greene as his agent, of his experiences
13 with Scientology as prohibited by paragraph 2. The following are
14 the excerpts from the press release which violate paragraph 2:

- 15 a) "Can the Scientology organization purchase the
16 free speech rights of Gerald Armstrong-the former
17 in-house biographer researcher/archivist of cult
18 leader, L. Ron Hubbard..."
- 19 b) "A former high-ranking Scientologist for 12 years,
20 Armstrong split with the group when it insisted he
21 continue lying about the accomplishments Hubbard
22 claimed to the public at large."
- 23 c) "For years Scientology has treated Armstrong as a
24 'suppressive person' who was 'fair game.'"
- 25 d) "Armstrong is resisting Scientology's high-powered
26 attack in an effort to affirm his right to free
27 speech to maintain vigilance for the truth."
- 28 e) "(Scientology is) fabricating false scenarios in
other court proceedings that Armstrong was an
agent of the IRS out to destroy it."

41. In addition, the press release devotes an entire
paragraph to a description of the lawsuit resulting from the
Settlement Agreement and to a description of the Settlement
Agreement itself:

1 "After Armstrong beat Scientology's lawsuit
2 against him in 1984, he was poised to
3 prosecute his own claims. For millions of
4 dollars, however, in 1986 Scientology settled
5 with he and over 17 other Scientology
6 knowledgeable individuals on the condition
7 that those persons would forever keep silent,
8 avoid giving sworn testimony by evading
9 subpoenas, and never aid or assist anyone
10 adverse to Scientology."

11 The distribution of the press release violated the provisions of
12 paragraphs 7(D) and 18 of the Agreement.

13 42. By reason of the foregoing breach by Armstrong,
14 plaintiff is entitled to \$50,000 in liquidated damages and
15 compensatory damages not presently known but believed to be in
16 excess of the jurisdictional minimum of this Court.

17 **SIXTH CAUSE OF ACTION**

18 (For Breach of Contract by Armstrong)

19 43. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-
20 35, 37-38, and 40-42, inclusive, and incorporates them hereby by
21 reference.

22 44. On or about March 19 and 20, 1992, Armstrong and
23 Greene, acting as Armstrong's agent, granted the media additional
24 interviews, which also violated paragraph 2 of the Agreement.
25 During the course of his interview with the Cable News Network,
26 for example, Armstrong stated, "I'm an expert in the
27 misrepresentations Hubbard has made about himself from the
28 beginning of Dianetics until the day he died." Attached hereto
and incorporated herein by reference as Exhibit C is a true and
correct transcription of the CNN broadcast which featured this
statement made voluntarily by Armstrong in a media interview.

45. By reason of the foregoing breach of the Agreement,
plaintiff is entitled to \$50,000 in liquidated damages.

1 knowledge and information which he claimed to have concerning
2 plaintiff and other Scientology affiliated entities and
3 individuals.

4 50. During his deposition on March 3, 1992, Armstrong
5 produced documents which he claimed to have reviewed in
6 preparation for his testimony, including documents referred to in
7 paragraph 46, supra, in violation of paragraph 7(D) of the
8 Agreement.

9 51. On or about March 12, 1992, Armstrong again appeared
10 for deposition in the Hunziker case. This time, Armstrong
11 claimed that he had been given a deposition subpoena not by the
12 deposing attorney, but by attorney Elstead, and that Elstead had
13 "filled out" the subpoena earlier that morning. Armstrong
14 refused to produce a copy of the alleged subpoena, which had not
15 been served on any of the parties to the case. In fact,
16 Armstrong himself requested that Elstead issue him a subpoena on
17 Sunday, March 8, 1992, after a temporary restraining order was
18 issued in this case. On March 8, 1992, Armstrong delivered
19 additional documents to Elstead, again in violation of paragraph
20 7(D) of the Agreement.

21 52. Plaintiff learned in April, 1992, through review of the
22 aforesaid deposition transcript, that since the signing of the
23 Agreement, Armstrong had "taken it upon [him]self" to reacquire
24 documents which he had previously returned to plaintiff "from
25 whatever source." He produced many of those documents
26 voluntarily, first to Elstead on March 8, 1992, and then to
27 opposing counsel during the March 12, 1992 deposition.

28 53. These actions and disclosures are violations of

1 Paragraphs 7(D), 7(G), 7(H) and 10 of the Agreement, requiring
2 that Armstrong pay to CSI \$250,000 in liquidated damages.

3 **EIGHTH CAUSE OF ACTION**

4 (Against Armstrong for Breach of Contract)

5 54. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-
6 35, 37-38, 40-42, 44-45, 47-52, inclusive, and incorporates them
7 herein by reference.

8 55. On or about April 7, 1992, while testifying in the
9 matter known as Church of Scientology v. Yanny, (No. BC 033035),
10 Armstrong made the Settlement Agreement sued upon herein an
11 exhibit to the deposition transcript. Said action was a breach
12 of paragraph 18(D) of the Agreement which prohibits disclosure of
13 the contents of the Agreement.

14 56. By reason of the foregoing breach of the Agreement,
15 Plaintiff is entitled to \$50,000 in liquidated damages, together
16 with compensatory damages in an amount not presently known to
17 plaintiff but believed to be in excess of the jurisdictional
18 minimum of this court.

19 **NINTH CAUSE OF ACTION**

20 (Against Armstrong for Beach of Contract)

21 57. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-
22 35, 37-38, 40-42, 44-45, 47-52, and 55, inclusive, and
23 incorporates them herein by reference.

24 58. In breach of the provision of paragraph 7(E) of the
25 Agreement, Armstrong failed to return a letter written by L. Ron
26 Hubbard to the Federal Bureau of Investigation in 1955 and an
27 internal communication known as "Technical Bulletin."

28 59. In breach of the provisions of paragraph 7(H) of the

1 Agreement, Armstrong gave a declaration in the Aznaran litigation
2 on August 26, 1991 in opposition to a motion to exclude expert
3 testimony.

4 60. Said declaration attached as exhibits the two documents
5 referred to in paragraph 58 above, in breach of the provisions of
6 Paragraph 7(D) of the Agreement.

7 61. By reason of the breaches by Armstrong in paragraphs
8 7(E) and 7(H) of the Agreement, plaintiff has been damaged in an
9 amount not presently known but believed to be in excess of the
10 jurisdictional minimum of this Court.

11 62. By reason of the breach by Armstrong of paragraph 7(D)
12 of the Agreement, plaintiff is entitled to liquidated damages in
13 the amount of \$50,000.

14 **TENTH CAUSE OF ACTION**

15 (Against Armstrong for Breach of Contract)

16 63. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-
17 35, 37-38, 40-42, 44-45, 47-52, 54-55 and 58-60, inclusive, and
18 incorporates them herein by reference.

19 64. Plaintiff learned in March, 1992, that during 1990 and
20 1991, Armstrong voluntarily provided aid and advice to Bent
21 Corydon and to Corydon's attorney, Toby Plevin, in the conduct of
22 litigation against plaintiff and affiliated entities in the case
23 of Bent Corydon v. Church of Scientology International, et al.,
24 Los Angeles Superior Court Case No. C 694401.

25 65. Armstrong's voluntary provision of aid to Plevin to
26 work on Corydon's litigation is a direct violation of paragraphs
27 7(G) and 10 of the Agreement.

28 66. As a direct and proximate result of Armstrong's breach

1 of the Agreement by providing voluntary assistance to Plevin in
2 Corydon's litigation, plaintiff has incurred damages which are
3 not presently calculable. In no event, however, are they less
4 than the jurisdictional minimum of this Court. Consequently, for
5 this breach plaintiff seeks compensatory and consequential
6 damages according to proof.

7 **ELEVENTH CAUSE OF ACTION**

8 (Against Armstrong for Breach of Contract)

9 67. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-
10 35, 37-38, 40-42, 44-45, 47-52, 54-55, 58-60, 64-65 inclusive,
11 and incorporates them herein by reference.

12 68. On May 27, 1992, after plaintiff's motion for
13 preliminary injunction in this matter had been argued, and while
14 a determination of that motion was still pending, Armstrong
15 voluntarily provided a declaration to Gary M. Bright and Jerold
16 Fagelbaum, attorneys for defendants David Mayo, Church of the New
17 Civilization, John Nelson, Harvey Haber, Vivien Zegel and Dede
18 Reisdorf in the consolidated cases of Religious Technology
19 Center, et al. v. Robin Scott, et al., and Religious Technology
20 Center, et al. v. Wollersheim, et al., United States District
21 Court for the Central District of California, Case Nos. CV 85-711
22 JMI (Bx) and CV 85-7197 JMI (Bx) (the "Scott case"). The
23 plaintiffs in the Scott case are plaintiff, Church of Scientology
24 International, Church of Scientology of California, and Religious
25 Technology Center, all entities specifically protected by the
26 Agreement.

27 69. In his May 27, 1992 declaration, Armstrong purports to
28 authenticate an earlier declaration which describes some of his

1 alleged experiences with and concerning plaintiff, as well as a
2 portion of a transcript which was ordered sealed in the earlier
3 action between plaintiff and defendant. These actions and
4 disclosures are violations of paragraphs 7(G), 7(H) and 10 of the
5 Agreement, requiring that Armstrong pay to CSI \$50,000 in
6 liquidated damages.

7 70. As a direct and proximate result of Armstrong's breach
8 of the Agreement by providing voluntary assistance to Bright and
9 Fagelbaum in the Scott case, plaintiff has incurred additional
10 damages which are not presently calculable. In no event,
11 however, are they less than the jurisdictional minimum of this
12 Court. Consequently, for this breach plaintiff also seeks
13 compensatory and consequential damages according to proof.

14 **TWELFTH CAUSE OF ACTION**

15 (Against All Defendants for Injunctive Relief)

16 71. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-
17 35, 37-38, 40-42, 44-45, 47-52, 54-55, 58-60, 64-65 and 68-69
18 inclusive, and incorporates them herein by reference.

19 72. As a direct and proximate result of Armstrong's breach
20 of the Agreement by providing assistance to Greene and Elstead in
21 the Aznarans' litigation, which breach is, on information and
22 belief, persistent and continuing, CSI is and will continue to be
23 irreparably harmed, and unless Armstrong and those acting in
24 concert with him are temporarily, preliminarily and permanently
25 enjoined from continuing that unlawful conduct, further
26 irreparable harm will be caused to CSI.

27 73. Further, as a direct and proximate result of
28 Armstrong's breach of the Agreement by providing assistance to

1 Yanny in Yanny's litigation, which breach is, on information and
2 belief, persistent and continuing, CSI is and will continue to be
3 irreparably harmed, and unless Armstrong and those acting in
4 concert with him are temporarily, preliminarily and permanently
5 enjoined from continuing that unlawful conduct, further
6 irreparable harm will be caused to CSI.

7 74. Further, as a direct and proximate result of
8 Armstrong's breach of the Agreement by providing assistance to
9 Elstead and Rummond in the Hunziker litigation, which breach is,
10 on information and belief, persistent and continuing, CSI is and
11 will continue to be irreparably harmed, and unless Armstrong and
12 those acting in concert with him are temporarily, preliminarily
13 and permanently enjoined from continuing that unlawful conduct,
14 further irreparable harm will be caused to CSI.

15 75. Further, as a direct and proximate result of
16 Armstrong's breach of the Agreement by providing assistance to
17 Fagelbaum and Bright in the Scott litigation, which breach is, on
18 information and belief, persistent and continuing, CSI is and
19 will continue to be irreparably harmed, and unless Armstrong and
20 those acting in concert with him are temporarily, preliminarily
21 and permanently enjoined from continuing that unlawful conduct,
22 further irreparable harm will be caused to CSI.

23 WHEREFORE, plaintiff prays for judgment as follows:

24 ON THE FIRST CAUSE OF ACTION

25 1. For compensatory and consequential damages according to
26 proof.

27 2. For attorneys' fees and costs of suit.

28 ///

1 3. For attorney's fees and costs of suit.

2 ON THE TENTH CAUSE OF ACTION

3 1. For compensatory and consequential damages according to
4 proof.

5 2. For attorneys' fees and costs of suit.

6 ON THE ELEVENTH CAUSE OF ACTION

7 1. For compensatory and consequential damages according to
8 proof.

9 2. For liquidated damages in the sum of \$50,000.

10 3. For attorney's fees and costs of suit.

11 ON THE TWELFTH CAUSE OF ACTION

12 1. For a preliminary and permanent injunction prohibiting
13 and restraining all defendants, including Armstrong, from
14 violating any of the provisions of the Agreement, including the
15 provisions of paragraphs 7(D), 7(E), 7(G), 7(H) and 18(D).

16 ON ALL CAUSES OF ACTION

17 1. For such other and further relief as the Court may deem
18 just and proper.

19 DATED: June 4, 1992

BOWLES & MOXON

20

21

By: Laurie J. Bartilson
Laurie J. Bartilson

22

23

Andrew H. Wilson
WILSON, RYAN & CAMPILONGO

24

25

Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY
INTERNATIONAL

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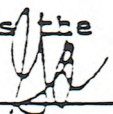
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28



MUTUAL RELEASE OF ALL CLAIMS AND SETTLEMENT AGREEMENT

1. This Mutual Release of All Claims and Settlement Agreement is made between Church of Scientology International (hereinafter "CSI") and Gerald Armstrong, (hereinafter "Plaintiff") Cross-Complainant in Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153. By this Agreement, Plaintiff hereby specifically waives and releases all claims he has or may have from the beginning of time to and including this date, including all causes of action of every kind and nature, known or unknown for acts and/or omissions against the officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel of CSI as well as the Church of Scientology of California, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Religious Technology Center, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; all Scientology and Scientology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Author Services, Inc., its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and its trustee; and Mary Sue Hubbard, (all hereinafter collectively referred to as the



"Releasees"). The parties to this Agreement hereby agree as follows:

2. It is understood that this settlement is a compromise of doubtful and disputed claims, and that any payment is not to be construed, and is not intended, as an admission of liability on the part of any party to this Agreement, specifically, the Releasees, by whom liability has been and continues to be expressly denied. In executing this settlement Agreement, Plaintiff acknowledges that he has released the organizations, individuals and entities listed in the above paragraph, in addition to those defendants actually named in the above lawsuit, because among other reasons, they are third party beneficiaries of this Agreement.

3. Plaintiff has received payment of a certain monetary sum which is a portion of a total sum of money paid to his attorney, Michael J. Flynn. The total sum paid to Mr. Flynn is to settle all of the claims of Mr. Flynn's clients. Plaintiff's portion of said sum has been mutually agreed upon by Plaintiff and Michael J. Flynn. Plaintiff's signature below this paragraph acknowledges that Plaintiff is completely satisfied with the monetary consideration negotiated with and received by Michael J. Flynn. Plaintiff acknowledges that there has been a block settlement between Plaintiff's attorney, Michael J. Flynn, and the Church of Scientology and Churches and entities related to the Church of Scientology, concerning all of Mr. Flynn's clients who were in litigation with any Church of Scientology or related entity. Plaintiff has received a portion of this block

amount, the receipt of which he hereby acknowledges. Plaintiff understands that this amount is only a portion of the block settlement amount. The exact settlement sum received by Plaintiff is known only to Plaintiff and his attorney, Michael J. Flynn, and it is their wish that this remain so and that this amount remain confidential.



Signature line for Gerald Armstrong

4. For and in consideration of the above described consideration, the mutual covenants, conditions and release contained herein, Plaintiff does hereby release, acquit and forever discharge, for himself, his heirs, successors, executors, administrators and assigns, the Releasees, including Church of Scientology of California, Church of Scientology International, Religious Technology Center, all Scientology and Scientology affiliated organizations and entities, Author Services, Inc. (and for each organization or entity, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel); L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and trustee; and Mary Sue Hubbard, and each of them, of and from any and all claims, including, but not limited to, any claims or causes of action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153 and all demands, damages, actions and causes of actions of every kind and nature, known or unknown,

for or because of any act or omission allegedly done by the Releasees, from the beginning of time to and including the date hereof. Therefore, Plaintiff does hereby authorize and direct his counsel to dismiss with prejudice his claims now pending in the above referenced action. The parties hereto will execute and cause to be filed a joint stipulation of dismissal in the form of the one attached hereto as Exhibit "A".

A. It is expressly understood by Plaintiff that this release and all of the terms thereof do not apply to the action brought by the Church of Scientology against Plaintiff for Conversion, Fraud and other causes of action, which action has already gone to trial and is presently pending before the Second District, Third Division of the California Appellate Court (Appeal No. B005912). The disposition of those claims are controlled by the provisions of the following paragraph hereinafter.

B. As of the date this settlement Agreement is executed, there is currently an appeal pending before the California Court of Appeal, Second Appellate District, Division 3, arising out of the above referenced action delineated as Appeal No. B005912. It is understood that this appeal arises out of the Church of Scientology's complaint against Plaintiff which is not settled herein. This appeal shall be maintained notwithstanding this Agreement. Plaintiff agrees to waive any rights he may have to take any further appeals from any decision eventually reached by the Court of Appeal or any rights he may have to oppose (by responding brief or any other means) any further appeals taken by the Church of

Scientology of California. The Church of Scientology of California shall have the right to file any further appeals it deems necessary.

5. For and in consideration of the mutual covenants, conditions and release contained herein, and Plaintiff dismissing with prejudice the action Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153, the Church of Scientology of California does hereby release, acquit and forever discharge for itself, successors and assigns, Gerald Armstrong, his agents, representatives, heirs, successors, assigns, legal counsel and estate and each of them, of and from any and all claims, causes of action, demands, damages and actions of every kind and nature, known or unknown, for or because of any act or omission allegedly done by Gerald Armstrong from the beginning of time to and including the date hereof.

6. In executing this Agreement, the parties hereto, and each of them, agree to and do hereby waive and relinquish all rights and benefits afforded under the provisions of Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

7. Further, the undersigned hereby agree to the following:

A. The liability for all claims is expressly denied by the parties herein released, and this final compromise and

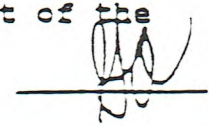
settlement thereof shall never be treated as an admission of liability or responsibility at any time for any purpose.

B. Plaintiff has been fully advised and understands that the alleged injuries sustained by him are of such character that the full extent and type of injuries may not be known at the date hereof, and it is further understood that said alleged injuries, whether known or unknown at the date hereof, might possibly become progressively worse and that as a result, further damages may be sustained by Plaintiff; nevertheless, Plaintiff desires by this document to forever and fully release the Releasees. Plaintiff understands that by the execution of this release no further claims arising out of his experience with, or actions by, the Releasees, from the beginning of time to and including the date hereof, which may now exist or which may exist in the future may ever be asserted by him or on his behalf, against the Releasees.

C. Plaintiff agrees to assume responsibility for the payment of any attorney fee, lien or liens, imposed against him past, present, or future, known or unknown, by any person, firm, corporation or governmental entity or agency as a result of, or growing out of any of the matters referred to in this release. Plaintiff further agrees to hold harmless the parties herein released, and each of them, of and from any liability arising therefrom.

D. Plaintiff agrees never to create or publish or attempt to publish, and/or assist another to create for publication by means of magazine, article, book or other

similar form, any writing or to broadcast or to assist another to create, write, film or video tape or audio tape any show, program or movie, or to grant interviews or discuss with others, concerning their experiences with the Church of Scientology, or concerning their personal or indirectly acquired knowledge or information concerning the Church of Scientology, L. Ron Hubbard or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff further agrees that he will maintain strict confidentiality and silence with respect to his experiences with the Church of Scientology and any knowledge or information he may have concerning the Church of Scientology, L. Ron Hubbard, or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff expressly understands that the non-disclosure provisions of this subparagraph shall apply, inter alia, but not be limited, to the contents or substance of his complaint on file in the action referred to in Paragraph 1 hereinabove or any documents as defined in Appendix "A" to this Agreement, including but not limited to any tapes, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard, or any of the organizations, individuals, or entities listed in Paragraph 1 above. The attorneys for Plaintiff, subject to the ethical limitations restraining them as promulgated by the state or federal regulatory associations or agencies, agree not to disclose any of the terms and conditions of the settlement negotiations, amount of the

A handwritten signature in black ink, appearing to be the initials 'RW', is written over a horizontal line at the bottom right of the page.

settlement, or statements made by either party during settlement conferences. Plaintiff agrees that if the terms of this paragraph are breached by him, that CSI and the other Releasees would be entitled to liquidated damages in the amount of \$50,000 for each such breach. All monies received to induce or in payment for a breach of this Agreement, or any part thereof, shall be held in a constructive trust pending the outcome of any litigation over said breach. The amount of liquidated damages herein is an estimate of the damages that each party would suffer in the event this Agreement is breached. The reasonableness of the amount of such damages are hereto acknowledged by Plaintiff.

F. With exception to the items specified in Paragraph 7(L), Plaintiff agrees to return to the Church of Scientology International at the time of the consummation of this Agreement, all materials in his possession, custody or control (or within the possession, custody or control of his attorney, as well as third parties who are in possession of the described documents), of any nature, including originals and all copies or summaries of documents defined in Appendix "A" to this Agreement, including but not limited to any tapes, computer disks, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above, all evidence of any nature, including evidence obtained from the named defendants through discovery, acquired for the purposes of this lawsuit or any lawsuit, or acquired for any other purpose

concerning any Church of Scientology, any financial or administrative materials concerning any Church of Scientology, and any materials relating personally to L. Ron Hubbard, his family, or his estate. In addition to the documents and other items to be returned to the Church of Scientology International listed above and in Appendix "A", Plaintiff agrees to return the following:

(a) All originals and copies of the manuscript for the work "Excalibur" written by L. Ron Hubbard;

(b) All originals and copies of documents commonly known as the "Affirmations" written by L. Ron Hubbard; and

(c) All documents and other items surrendered to the Court by Plaintiff and his attorneys pursuant to Judge Cole's orders of August 24, 1982 and September 4, 1982 and all documents and other items taken by the Plaintiff from either the Church of Scientology or Omar Garrison. This includes all documents and items entered into evidence or marked for identification in Church of Scientology of California v. Gerald Armstrong, Case No. C 420 153. Plaintiff and his attorney will execute a Joint Stipulation or such other documents as are necessary to obtain these documents from the Court. In the event any documents or other items are no longer in the custody or control of the Los Angeles Superior Court, Plaintiff and his counsel will assist the Church in recovering these documents as quickly as possible, including but not limited to these tapes and other documents now in the possession of the United States District Court in the case of United States v. Tolin, Case No. CV

85-0440-RH(Tx), presently on appeal in the Ninth Circuit Court of Appeals. In the event any of these documents are currently lodged with the Court of Appeal, Plaintiff and his attorneys will cooperate in recovering those documents as soon as the Court of Appeal issues a decision on the pending appeal.

To the extent that Plaintiff does not possess or control documents within categories A-C above, Plaintiff recognizes his continuing duty to return to CSI any and all documents that fall within categories A-C above which do in the future come into his possession or control.

F. Plaintiff agrees that he will never again seek or obtain spiritual counselling or training or any other service from any Church of Scientology, Scientologist, Dianetics or Scientology auditor, Scientology minister, Mission of Scientology, Scientology organization or Scientology affiliated organization.

G. Plaintiff agrees that he will not voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations, individuals, or entities listed in Paragraph 1 above. Plaintiff also agrees that he will not cooperate in any manner with any organizations aligned against Scientology.

H. Plaintiff agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the Scientology Churches, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Plaintiff shall not make

himself amenable to service of any such subpoena in a manner which invalidates the intent of this provision. Unless required to do so by such subpoena, Plaintiff agrees not to discuss this litigation or his experiences with and knowledge of the Church with anyone other than members of his immediate family. As provided hereinafter in Paragraph 18(d), the contents of this Agreement may not be disclosed.

I. The parties hereto agree that in the event of any future litigation between Plaintiff and any of the organizations, individuals or entities listed in Paragraph 1 above, that any past action or activity, either alleged in this lawsuit or activity similar in fact to the evidence that was developed during the course of this lawsuit, will not be used by either party against the other in any future litigation. In other words, the "slate" is wiped clean concerning past actions by any party.

J. It is expressly understood and agreed by Plaintiff that any dispute between Plaintiff and his counsel as to the proper division of the sum paid to Plaintiff by his attorney of record is between Plaintiff and his attorney of record and shall in no way affect the validity of this Mutual Release of All Claims and Settlement Agreement.

K. Plaintiff hereby acknowledges and affirms that he is not under the influence of any drug, narcotic, alcohol or other mind-influencing substance, condition or ailment such that his ability to fully understand the meaning of this Agreement and the significance thereof is adversely affected.

7. Notwithstanding the provisions of Paragraph 7(E) above, Plaintiff shall be entitled to retain any artwork created by him which concerns or relates to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above provided that such artwork never be disclosed either directly or indirectly, to anyone. In the event of a disclosure in breach of this Paragraph 7(L), Plaintiff shall be subject to the liquidated damages and constructive trust provisions of Paragraph 7(D) for each such breach.

8. Plaintiff further agrees that he waives and relinquishes any right or claim arising out of the conduct of any defendant in this case to date, including any of the organizations, individuals or entities as set forth in Paragraph 1 above, and the named defendants waive and relinquish any right or claim arising out of the conduct of Plaintiff to date.

9. This Mutual Release of All Claims and Settlement Agreement contains the entire agreement between the parties hereto, and the terms of this Agreement are contractual and not a mere recital. This Agreement may be amended only by a written instrument executed by Plaintiff and CSI. The parties hereto have carefully read and understand the contents of this Mutual Release of All Claims and Settlement Agreement and sign the same of their own free will, and it is the intention of the parties to be legally bound hereby. No other prior or contemporaneous agreements, oral or written, respecting such matters, which are not specifically

incorporated herein shall be deemed to in any way exist or bind any of the parties hereto.

10. Plaintiff agrees that he will not assist or advise anyone, including individuals, partnerships, associations, corporations, or governmental agencies contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement.

11. The parties to this Agreement acknowledge the following:

A. That all parties enter into this Agreement freely, voluntarily, knowingly and willingly, without any threats, intimidation or pressure of any kind whatsoever and voluntarily execute this Agreement of their own free will;

B. That all parties have conducted sufficient deliberation and investigation, either personally or through other sources of their own choosing, and have obtained advice of counsel regarding the terms and conditions set forth herein, so that they may intelligently exercise their own judgment in deciding whether or not to execute this Agreement; and

C. That all parties have carefully read this Agreement and understand the contents thereof and that each reference in this Agreement to any party includes successors, assigns, principals, agents and employees thereof.

12. Each party shall bear its respective costs with respect to the negotiation and drafting of this Agreement and

all acts required by the terms hereof to be undertaken and performed by that party.

13. To the extent that this Agreement inures to the benefit of persons or entities not signatories hereto, this Agreement is hereby declared to be made for their respective benefits and uses.

14. The parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.

15. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared this Agreement. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

16. In the event any provision hereof be unenforceable, such provision shall not affect the enforceability of any other provision hereof.

17. All references to the plural shall include the singular and all references to the singular shall include the plural. All references to gender shall include both the masculine and feminine.

18.(A) Each party warrants that they have received independent legal advice from their attorneys with respect to the advisability of making the settlement provided for herein and in executing this Agreement.

(B) The parties hereto (including any officer, agent, employee, representative or attorney of or for any party) acknowledge that they have not made any statement,

representation or promise to the other party, regarding any fact material to this Agreement except as expressly set forth herein. Furthermore, except as expressly stated in this Agreement, the parties in executing this Agreement do not rely upon any statement, representation or promise by the other party (or of any officer, agent, employee, representative or attorney for the other party).

(C) The persons signing this Agreement have the full right and authority to enter into this Agreement on behalf of the parties for whom they are signing.

(D) The parties hereto and their respective attorneys each agree not to disclose the contents of this executed Agreement. Nothing herein shall be construed to prevent any party hereto or his respective attorney from stating that this civil action has been settled in its entirety.

(E) The parties further agree to forbear and refrain from doing any act or exercising any right, whether existing now or in the future, which act or exercise is inconsistent with this Agreement.

19. Plaintiff has been fully advised by his counsel as to the contents of this document and each provision hereof. Plaintiff hereby authorizes and directs his counsel to dismiss with prejudice his claims now pending in the action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153.

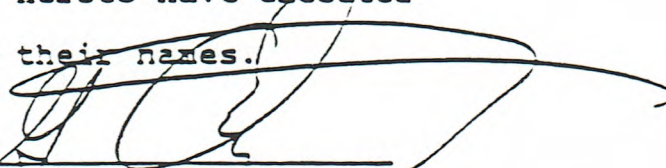
20. Notwithstanding the dismissal of the lawsuit pursuant to Paragraph 4 of this Agreement, the parties hereto agree that the Los Angeles Superior Court shall retain

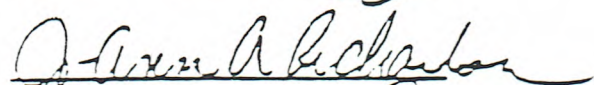
jurisdiction to enforce the terms of this Agreement. This Agreement may be enforced by any legal or equitable remedy, including but not limited to injunctive relief or declaratory judgment where appropriate. In the event any party to this Agreement institutes any action to preserve, to protect or to enforce any right or benefit created hereunder, the prevailing party in any such action shall be entitled to the costs of suit and reasonable attorney's fees.


21. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be a duplicate original, but all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date opposite their names.

Dated: December 6, 1986



GERALD ARMSTRONG


Witness

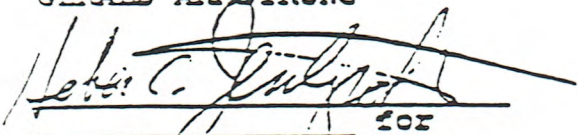

Witness

Dated: 12/6/86

APPROVED AS TO FORM AND CONTENT:


MICHAEL J. FLYNN
Attorney for
GERALD ARMSTRONG

Dated: December 11, 1986


for
CHURCH OF SCIENTOLOGY
INTERNATIONAL

APPENDIX A

1. As used herein, the term "document" or "documents" include but are not limited to all originals, file copies and copies not identical to the original, no matter how prepared, of all writings, papers, notes, records, books and other tangible things including, by way of example and not of limitation, the following:

- a. Memoranda, notes, calendars, appointment books, shorthand or stenographer's notebooks, correspondence, letters and telegrams, whether received, sent, filed or maintained internally;
- b. Drafts and notes, whether typed, penciled or otherwise, whether or not used;
- c. Minutes, reports and summaries of meetings;
- d. Contracts, agreements, understandings, commitments, proposals and other business dealings;
- e. Recordings, transcriptions and memoranda or notes made of any telephone or face-to-face oral conversations between or among persons;
- f. Dictated tapes or other sound recordings;
- g. Computer printouts or reports and the applicable program or programs therefor;
- h. Tapes, cards or any other means by which data are stored or preserved electrically, electronically, magnetically or mechanically, and the applicable program or program therefor (from which plaintiff may reproduce or cause to be reproduced such data in written form);

i. Pictures, drawings, photographs, charts or other graphic representations;

j. Checks, bills, notes, receipts, or other evidence of payment;

k. Ledgers, journals, financial statements, accounting records, operating statements, balance sheets and statements of account.



WHERE: Marin Superior Court, San Rafael Civic Center -
Scientology vs. Armstrong No. 152229

March 20, 1992 at 9:00 a.m., Department 4.

* * * * *

Can the Scientology Organization purchase the free speech rights of Gerald Armstrong - the former in-house biography researcher/archivist of cult leader L. Ron Hubbard - so that it can keep the facts that he knows out of public view in the marketplace of ideas?

A former high-ranking Scientologist for 12 years, Armstrong split with the group when it insisted he continue lying about the accomplishments Hubbard claimed to the public at large. In 1982, the organization sued Armstrong for sending Hubbard documents to his lawyers. In 1984 at Armstrong's trial, Los Angeles Superior Court judge Paul G. Brackenridge, Jr., who ruled that Armstrong's actions had been manifestly justified, also found:

"In addition to violating and abusing its own members civil rights, the organization over the years with its "Fair Game" doctrine has harassed and abused these persons not in the Church whom it perceives as enemies. The organization is clearly schizophrenic and paranoid, and this bizarre combination seems to be a reflection of its founder LPH [L. Ron Hubbard]. The evidence portrays a man who has been virtually a pathological liar when it comes to his history, background, and achievements. The writings and documents in evidence additionally reflect his egoism, greed, avarice, lust for power, and vindictiveness and aggressiveness against persons perceived by him to be disloyal or hostile."

For years, Scientology has treated Armstrong as a "suppressive person" who was "Fair Game." This policy says as Fair Game one

"may be deprived of property or injured by any means by any Scientologist without any discipline of the Scientologist. May be tricked, sued or lied to or destroyed."

Defended by Ford Greene - the lawyer who persuaded the California Supreme Court that the Unification Church (Moonies) should be liable for brainwashing and who won an acquittal for a felonious-charged deprogrammer on the ground that the kidnapping was necessary to avoid cult-danger - Armstrong is resisting Scientology's high-powered attack in an effort to affirm his right to free speech to maintain vigilance for the truth.

After Armstrong beat Scientology's lawsuit against him in 1984, he was poised to prosecute his own claims. For millions of dollars, however, in 1986 Scientology settled with him and over 17 other Scientology-knowledgeable individuals on the condition that those persons would forever keep silent, avoid giving sworn testimony by evading subpoenas, and never aid or assist any one adverse to Scientology.

Between its full-page daily ads in U.S.A. Today and purchasing the silence of judicially-credible adversaries, Scientology's strategy is to eliminate the competition in the marketplace of ideas for those who would swallow the claims of its widespread advertisements for the benefits of Dianetics: The Science of Mental Health.

Scientology has demanded that newly-elevated Marin County Superior Court judge Michael Dufficy give them a preliminary injunction which would prevent Armstrong from speaking out and assisting other individuals locked in litigation with Scientology - while at the same time fabricating false scenarios in other court proceedings that Armstrong was an agent of the IRS out to destroy it. If Scientology has its way, Armstrong would either roll over, or if he exposed its lies about him, Scientology would demand he be jailed for contempt of court.

When Scientology first came to Marin County to go after Armstrong, it asked the Court to conduct all proceedings in secret in closed proceedings. The Court refused. Then Scientology asked the Court to seal the settlement agreement that Scientology wants the Court to enforce. The Court refused. Now, Scientology has obtained a temporary restraining order compelling Armstrong not to speak out on the subject of Scientology. Scientology would like to make it permanent and will attempt to do just that at the March 20th Marin Superior Court hearing.

FOR FURTHER INFORMATION CALL:

KIRK SEIDEL, Press Liaison
(415) 457-5711

FORD GREENE (415) 258-0360



HEADLINE NEWS

[SHOT: Studio setting]

NARRATOR: A former member of the Church of Scientology claims he has damaging information about the organization, but he's being silenced by a Court Order. Don Nab explains.

[CNN CAPTION: SCIENTOLOGY.]

[SHOT: Close up of Armstrong with Ford Greene behind him. Then a pan of the courtroom, with attorney Andy Wilson arguing and a shot of the Judge.]

Don Nab: Gerald Armstrong says he knows a lot about the Church of Scientology and he's fighting in court for the chance to tell it. A former archivist of the organization he had first hand access to records of Scientology's controversial founder, L. Ron Hubbard.

[SHOT: Close up of Armstrong in an office. Don Nab narrating]

Gerald Armstrong: I'm an expert in the misrepresentations Hubbard has made about himself from the beginning of Dianetics until the day he died.

Don Nab: But that's about all that he can say legally. The Church of Scientology slapped Armstrong with a Court Order to prevent him from talking about what he may know.

[SHOT: Excerpt of Video tape of 1986 settlement signing.]

Heller: You are going to sign this of your own free will.

Armstrong: Yes.

[CNN caption: December 1986.]

Heller: OK. You're not suffering from any duress or coercion which is compelling you to sign this document.

[CNN CAPTION: Video provided by Anti-Scientology Attorney.]

Armstrong: No.

Heller: Alright, ...

Don Nab: As part of the lawsuit settlement documented by Scientology on this video tape, the Church paid Armstrong \$800,000. In that settlement Armstrong agreed not talk about the Church, it's documents, or its founder.

[1ST SHOT: Wilson and Hertzberg sitting at counsel table.]
[2ND SHOT: Greene arguing at counsel table.]

Don Nab: Now, the Church of Scientology wants to block Armstrong from working with anti-Scientology attorney, Ford Greene.

Ford Greene: Gerald Armstrong possesses information about the Church of Scientology on first-hand basis that undercuts a lot of the claims that they make to the public on a daily basis in advertisements on TV and advertisements in newspapers.

[CNN CAPTION: Ford Greene, Anti-Scientology Attorney.]

[SHOT: Bartilson at counsel table with a stack of papers.]

Don Nab: Greene hired Armstrong as a paralegal, to help him with a lawsuit against Scientology in Los Angeles.

[SHOT: Wilson arguing at counsel table.]

Don Nab: Attorneys for the Church of Scientology claimed that Armstrong was breaking his settlement contract.

Andy Wilson: \$800,000. \$800,000 was paid to that man. And now that he's spent the money, he comes into this court and he says, "I don't have to keep my part of the bargain."

[CNN CAPTION: Andrew Wilson, Scientology Attorney.]

[SHOT: Judge Dufficy at Bench.]

Don Nab: Scientology won this round. The gag on Armstrong remains, for now.

[SHOT: Close up of Armstrong at counsel table.]

Don Nab: Armstrong is not alone. 12 former Scientology members have accepted money to settle lawsuits with the Church.

[SHOT: Pleading packs on counsel table.]

Don Nab: The settlements included, promises to remain quiet and take no part in further litigation against the Church.

[SHOT: Greene in law office.]

Ford Greene: It'll be extremely damaging because Scientology has spent a whole ton of dough, on keeping not only Gerry silent but a lot of other people silent. And if Gerry's case unravels, it's the first domino, and all the rest of them are going to unravel ...

[SHOT: Green in law office with interviewer.]

Don Nab: Attorney Greene says, Armstrong's knowledge of Scientology can prove the Church is not what it says it is.

[SHOT: Outside of the Courtroom. Armstrong and Phippeny prominent.]

Don Nab: Scientology says, Armstrong accepted a lot of money not to discuss the Church and should keep his word. Don Nab, CNN, San Raphael, California.

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Hollywood, CA 90028.

On June 4, 1992, I served the foregoing document described as AMENDED VERIFIED COMPLAINT FOR DAMAGES AND FOR PRELIMINARY AND PERMANENT INJUNCTIVE RELIEF FOR BREACH OF CONTRACT on interested parties in this action as follows:

[] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [] the original [X] a true copy thereof in a sealed envelope addressed as follows:

Graham Berry BY U.S. MAIL
Lewis, D'Amato, Brisbois & Bisgaard
221 N. Figueroa St. Suite 1200
Los Angeles, CA 90012

[x] BY MAIL

[] *I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[x] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

Executed on June 4, 1992 at Los Angeles, California.

[] **(BY PERSONAL SERVICE) I delivered such envelopes by hand to the offices of the addressee.

Executed on _____ at Los Angeles, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Laune J. Bnd's


Signature

* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

** (For personal service signature must be that of messenger)

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

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by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

by placing the original a true copy thereof in a sealed envelope addressed as follows:

Paul Morantz **BY HAND**
P.O. Box 511
Pacific Palisades, CA 90272

BY MAIL

*I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

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PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 235 Montgomery Street, Suite 450, San Francisco, CA 94104.

On June 4, 1992, I served the foregoing document described as AMENDED VERIFIED COMPLAINT FOR DAMAGES AND FOR PRELIMINARY AND PERMANENT INJUNCTIVE RELIEF FOR BREACH OF CONTRACT on interested parties in this action as follows:

by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

by placing the original a true copy thereof in a sealed envelope addressed as follows:

Ford Greene **BY HAND**
Hub Law Offices
711 Sir Francis Drake Boulevard
San Anselmo, CA 9490-1949

BY MAIL

*I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

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On June 4, 1992, I served the foregoing document described as NOTICE OF FILING AMENDED COMPLAINT IN LIEU OF OPPOSITION TO DEMURRER AND MOTION TO STRIKE on interested parties in this action as follows:

by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

by placing the original a true copy thereof in a sealed envelope addressed as follows:

Paul Morantz **BY HAND**
P.O. Box 511
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Executed on 04.06.92 at Los Angeles, California.

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Executed on June 4, at Los Angeles, California.

(State) I declare under penalty of the laws of the State of California that the above is true and correct.

(Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Bodo Krauss

Bodo Krauss
Signature

* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

** (For personal service signature must be that of messenger)

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

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Executed on June 4, 1992 at Los Angeles, California.

THE DOCUMENT TO WHICH THIS CERTIFICATE IS
ATTACHED IS A FULL, TRUE, AND CORRECT COPY
OF THE ORIGINAL ON FILE AND OF RECORD IN
MY OFFICE.

ATTEST MAR 01 1994

EDWARD M. KRITZMAN

Executive Officer/Clerk of the Superior
Court of California, County of Los Angeles.
By [Signature], Deputy

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992
 Honorable **Ronald M. Sohigian**, Judge
 1

M. Cervantes, Deputy Clerk
 None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For
Plaintiff

vs.

Gerald Armstrong, et al.

Counsel For
Defendant

No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

In this matter heretofore taken under submission on May 27, 1992, the court now makes the following ruling.

1 Plaintiff's legal remedies are inadequate insofar as the scope of relief ordered below is concerned, but not otherwise. CCP 526(4) and (5).

2 The threatened acts which are restrained by the order referred to below, but only those threatened acts, would do irreparable harm to plaintiff which could not be compensated by monetary damages. CCP 526(2).

3 On the basis of the instant record, there is a reasonable probability that plaintiff will prevail after trial of this case in the respects restrained by this order. CCP 526(1); cf., San Francisco Newspaper Printing Co., Inc. vs. Superior Court (Miller) (1985) 170 Cal. App. 3d 438.

4 Plaintiff is likely to suffer greater injury from denial of the preliminary injunction the terms of which are set out below than the injury which defendant is likely to suffer if it is granted. See Robbins vs. Superior Court (County of Sacramento) (1985) 38 Cal. 3d 199, 206.

5 The granting of a preliminary injunction in the terms set out below will preserve the status quo pending trial.

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992
Honorable Ronald M. Sohigian, Judge
1a

M. Cervantes, Deputy Clerk
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For
Plaintiff

vs.

Gerald Armstrong, et al.

Counsel For
Defendant

No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

6 Application for preliminary injunction is granted in part, in the following respects only.

Defendant Gerald Armstrong, his agents, and persons acting in concert or conspiracy with him (excluding attorneys at law who are not said defendant's agents or retained by him) are restrained and enjoined during the pendency of this suit pending further order of court from doing directly or indirectly any of the following:

Voluntarily assisting any person (not a governmental organ or entity) intending to make, intending to press, intending to arbitrate, or intending to litigate a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986 regarding such claim or regarding pressing, arbitrating, or litigating it.

Voluntarily assisting any person (not a governmental organ or entity) arbitrating or litigating a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986.

The court does not intend by the foregoing to prohibit defendant Armstrong from: (a) being reasonably available for the service of subpoenas on him; (b) accepting service of subpoenas on him without physical resistance, obstructive tactics, or flight; (c) testifying fully and fairly in response to properly put questions either in deposition, at trial, or in other legal or arbitration proceedings; (d) properly reporting or disclosing to authorities criminal conduct of the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986; or (e) engaging in gainful employment rendering clerical or paralegal services not contrary to the terms and conditions of this order.

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992
 Honorable **Ronald M. Schigian**, Judge
 1b

M. Cervantes, Deputy Clerk
 None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For
Plaintiff

vs.

Gerald Armstrong, et al.

Counsel For
Defendant

No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

The application for preliminary injunction is otherwise denied.

7 The restraints referred to in sec. 6, above, will become effective upon plaintiff's posting an undertaking in the sum of \$70,000 pursuant to CCP 529(a) by 12:00 noon on June 5, 1992.

8 The restraints referred to in sec. 6, above, properly balance and accommodate the policies inherent in: (a) the protectable interests of the parties to this suit; (b) the protectable interests of the public at large; (c) the goal of attaining full and impartial justice through legitimate and properly informed civil and criminal judicial proceedings and arbitrations; (d) the gravity of interest involved in what the record demonstrates defendant might communicate in derogation of the contractual language; and (e) the reasonable interpretation of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986. The fair interpretation of all the cases cited by the parties indicates that this is the correct decisional process. The law appropriately favors settlement agreements. Obviously, one limitation on freedom of contract is "public policy"; in determining what the scope of the public policy limitation on the parties' rights to enforcement of their agreement in the specific factual context of this case, the court has weighed the factors referred to in the first sentence of this section. Litigants have a substantial range of contractual freedom, even to the extent of agreeing not to assert or exercise rights which they might otherwise have. The instant record shows that plaintiff was substantially compensated as an aspect of the agreement, and does not persuasively support defendant's claim of duress or that the issues involved in this preliminary injunction proceeding were precluded by any prior decision.

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992
Honorable Ronald M. Sohigian, Judge
1c

M. Cervantes, Deputy Clerk
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For
Plaintiff

VS.

Gerald Armstrong, et al.

Counsel For
Defendant

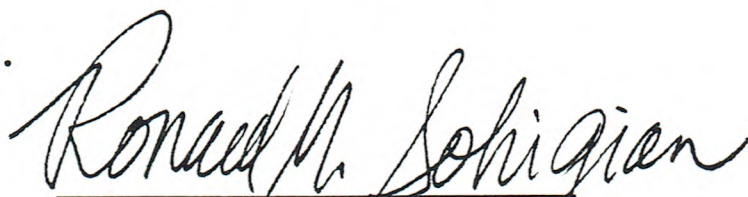
No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

9 The court does not dispositively decide the underlying merits of the case except for this preliminary determination. CCP 526(1); Baypoint Mortgage Corp. vs. Crest Premium Real Estate etc. Trust (1985) 168 Cal. App. 3d 818, 823.

10 Plaintiff is ordered give written notice by mail by June 5, 1992, including in that written notice a statement regarding whether plaintiff has or has not posted the undertaking referred to in sec. 7, above, and attaching to that written notice evidence showing that the undertaking has been posted if that is the fact.

DATED: May 28, 1992.


RONALD M. SOHIGIAN
Judge of the Superior Court

A copy of this minute order is sent to counsel via United States mail this date.

THE DOCUMENT TO WHICH THIS CERTIFICATE IS
ATTACHED IS A FULL, TRUE, AND CORRECT COPY
OF THE ORIGINAL ON FILE AND OF RECORD IN
MY OFFICE.

ATTEST MAR 01 1986

EDWARD M. KRITZMAN

Executive Officer/Clerk of the Superior
Court of California, County of Los Angeles.

By *[Signature]* , Deputy

1 Ford Greene, Esquire
California State Bar No. 107601
2 HUB LAW OFFICES
711 Sir Francis Drake Boulevard
3 San Anselmo, California 94960-1949
Telephone: (415) 258-0360

4 PAUL MORANTZ, ESQ.
5 P.O. Box 511
Pacific Palisades, CA 90272
6 (213) 459-4745

7 Attorneys for Defendant
GERALD ARMSTRONG
8
9

FILED
LOS ANGELES SUPERIOR COURT
OCT - 8 1999
JANET W. HARRIS, CLERK
M. Briseno
BY M. BRISENO, DEPUTY

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 IN AND FOR THE COUNTY OF LOS ANGELES
12

13 CHURCH OF SCIENTOLOGY)
14 INTERNATIONAL, a California)
not-for-profit religious)
15 corporation;)
16 Plaintiffs,)
17 vs.)
18 GERALD ARMSTRONG; DOES 1)
through 25, inclusive,)
19 Defendants.)
20)
21)

No. BC 052395

**AMENDED ANSWER OF GERALD
ARMSTRONG AND THE GERALD
ARMSTRONG CORPORATION TO
AMENDED COMPLAINT**

22 Defendant Gerald Armstrong, hereinafter "Armstrong," and The
23 Gerald Armstrong Corporation, hereinafter "TGAC," defendants,
24 hereby jointly submit the following amended answer to the amended
25 complaint of plaintiff, CHURCH OF SCIENTOLOGY INTERNATIONAL,
26 hereinafter "CSI." Although the following Answer may be framed in
27 the singular, it shall be interpreted to refer to both answering
28 defendants unless the referred to event took place before July

ORIGINAL

1 1987, in which event said allegation shall apply to Gerald
2 Armstrong as an individual only because prior to said date TGAC
3 did not exist.

4 1. Armstrong admits there was a settlement agreement
5 entered into in December, 1986, but denies each and every
6 allegation of the rest of this paragraph. Armstrong's only
7 actions have been those necessitated by the violations by the
8 Scientology organization, including CSI, hereinafter the "ORG," of
9 the express terms and spirit of the settlement agreement. It is
10 the ORG which has embarked on a deliberate campaign to breach the
11 provisions of the agreement, and foment litigation, hatred and
12 ill-will against ARMSTRONG.

13 2. Armstrong admits that he entered into a settlement
14 agreement with the ORG in December 1986 of his cross-complaint in
15 Church of Scientology of California v. Gerald Armstrong, Los
16 Angeles Superior Court No. C 420 153 hereinafter Armstrong I.
17 Armstrong denies that the agreement was for the benefit of
18 numerous third-parties; he asserts that the agreement is to
19 constitute a fraud on courts, nationally and internationally, and
20 upon the public of the World. Armstrong denies that the
21 description of the ORG as a church is true. Armstrong denies
22 CSI's description of him. It is the ORG which sought by litigation
23 and covert means to disrupt Armstrong's activities and life, and
24 which displayed through the years an intense and abiding hatred
25 for Armstrong, and an eagerness to annoy and harass Armstrong by
26 spreading enmity and hatred about him among its employees,
27 customers, victims, in the media, the courts and the world.
28 Armstrong denies that the ORG sought to end Armstrong's covert

1 activities, because there were no such covert activities, nor to
2 end the litigation. Armstrong denies that the agreement contained
3 carefully negotiated and agreed-upon provisions. Armstrong was not
4 included in one word of the negotiations, which were engineered by
5 the ORG through the compromise of Armstrong's attorney. Armstrong
6 never agreed to the conditions, but did agree with the
7 representations of his attorney that the conditions were
8 unenforceable. Armstrong denies that the ORG bargained for the
9 settlement provisions to put an end to enmity and strife generated
10 by Armstrong because Armstrong generated no such enmity and
11 strife.

12 3. Armstrong denies that this action arises from his
13 deliberate and repeated breaches of provisions of the agreement.
14 Armstrong denies moreover that he can violate the agreement
15 because its provisions are contrary to public policy and illegal.
16 Armstrong denies that the ORG fully performed its obligations
17 under the agreement; rather, it violated both the letter and
18 spirit from the date of its signing. Armstrong denies that he
19 never intended to keep his part of the bargain. Armstrong admits
20 that, based on the representations of his lawyer that the
21 referenced provisions were unenforceable and that the ORG lawyers
22 also knew they were unenforceable, he also considered said
23 provisions unenforceable. Armstrong denies that he ever extracted
24 money from the ORG. Armstrong denies that in June 1991 he had
25 finished spending his money. In August 1990 Armstrong had given
26 away all his assets for reasons unrelated to the ORG, except that
27 he evaluated that because the ORG committed so much harm with its
28 billions of dollars there was no reason not to give his money

1 away, and that it was better to combat the ORG's tyranny without
2 money than not to combat it with wheelbarrow loads of it.
3 Armstrong denies that in June, 1991 he began any campaign,
4 provided any confidential information to anyone, copies of any
5 agreement, declarations, and paralegal assistance to any
6 litigants. Armstrong denies that the ORG repeatedly demanded that
7 Armstrong end his constant and repeated breach of the provisions
8 of the agreement. There has never been a constant and repeated
9 breach of the provisions of the agreement by Armstrong, nor has
10 there ever been a repeated demand from the ORG.

11 4. Armstrong denies that the ORG bargained for peace.
12 Armstrong admits that the ORG requests liquidated damages, but
13 denies that the ORG is due such damages pursuant to the terms of
14 the agreement, and states that said liquidated damages are
15 invalid. By its acts in violation of the agreement the ORG has
16 sacrificed its right to any relief, including damages. It is
17 Armstrong who is due liquidated damages. Armstrong denies that
18 the ORG requests injunctive relief to prevent additional and
19 future breaches by Armstrong. There have been no breaches by
20 Armstrong and there can be no future breaches by Armstrong because
21 of the ORG's violations of the agreement and because the agreement
22 itself is contrary to public policy and illegal.

23 5. Armstrong denies CSI's description of itself. Armstrong
24 admits that CSI is incorporated under the laws of the State of
25 California and has its principal offices in Los Angeles.
26 Armstrong denies that Scientology is a religion. Scientology
27 employs a self-ascribed religious status so as to exploit the
28 extraordinary benefits conferred by the religious liberty clauses

1 of the First Amendment to the United States Constitution.

2 6. Armstrong admits that he is a resident of Marin County,
3 California.

4 7. Armstrong lacks knowledge or information sufficient to
5 form a belief as to the truth of the averments in this paragraph
6 and is therefore unable to admit or deny the same.

7 8. Armstrong admits the truth of the averments in this
8 paragraph.

9 9. Armstrong admits that the agreement was entered into
10 with the participation of respective counsel, but denies that it
11 was after full negotiation. Armstrong denies that the provisions
12 of the agreement were carefully framed by the parties and their
13 counsel to accurately reflect the agreement of the parties.
14 Armstrong only participated in the framing of one provision in the
15 agreement, the one allowing him to keep his art. Armstrong was,
16 in fact, carefully kept in the dark concerning the settlement
17 provisions by the ORG and his counsel. The provisions, moreover,
18 do not contain the actual agreement of the parties concerning
19 their unenforceability. Nor do they contain the agreement whereby
20 the ORG contracted with Armstrong's lawyer to not represent him in
21 future litigation regarding the agreement. And they do not
22 contain the agreement whereby Armstrong's lawyer would assist the
23 ORG in allowing it to attack Armstrong without his response, nor
24 the side indemnity agreement and other agreements with Armstrong's
25 lawyer for a collusive appeal and rigged retrial of the underlying
26 action. The purpose of the agreement was to engineer a reversal
27 of Judge Breckenridge's 1984 decision holding for Armstrong on
28 Scientology's complaint against Armstrong in Armstrong I.

1 10. Armstrong denies the totality of this paragraph. There
2 never was a series of covert activities by Armstrong intended to
3 discredit ORG leaders, spark government raids, create phony
4 "evidence" of wrongdoing against the ORG and ultimately destroy
5 the ORG and its leadership.

6 11. Armstrong admits that when asked by ORG lawyer Lawrence
7 Heller during the videotaped signing of the settlement agreement
8 if he was acting of his own free will he said he was. Armstrong
9 was, however, under great duress resulting from years of ORG
10 abuse, threats and attacks, his manipulation by the ORG through
11 his attorney as a deal-breaker during the settlement, and his
12 knowledge of ORG policies of hatred and vindictiveness. Armstrong
13 denies that in later 1991 he revealed for the first time that he
14 believed at the time the agreement was signed the provisions were
15 unenforceable. Armstrong put his opinion of the provisions'
16 unenforceability in his declaration dated March 15, 1990, which
17 the ORG received within a week of that date. Moreover,
18 Armstrong's lawyer, Michael Flynn, advised Armstrong that he had
19 advised the ORG in December 1986, before the agreement was signed
20 that the provisions were unenforceable.

21 12. Armstrong does not answer these allegations of this
22 paragraph inasmuch as they have been stricken by court order.

23 13. Armstrong admits the averments of this paragraph.

24 14. Armstrong admits the averments of this paragraph.

25 15. Armstrong admits the averments of this paragraph.

26 16. Armstrong denies each and every averment of this
27 paragraph.

28 17. In answering the averments contained in this paragraph

1 wherein CSI adopts by reference paragraphs 1 through 16 of its
2 averments, Armstrong admits, denies and avers to the same effect
3 and in the same manner as he admitted, denied and averred with
4 respect to those specific paragraphs as previously set forth in
5 this answer.

6 18. Armstrong admits the averments of this paragraph, but
7 denies that the Aznarans were Scientology parishioners; they were
8 Scientology victims. Scientology is not a religion.

9 19. Armstrong admits the averments of this paragraph.

10 20. Armstrong admits that while Yanny was acting as the
11 Aznarans' counsel he asked Armstrong to help him, but denies that
12 Yanny hired him as paralegal to work on the Aznaran case.

13 21. Armstrong admits that he agreed to travel to Los Angeles
14 from Marin Country but denies that he asked Yanny to pay him
15 \$500.00 for his proposed help.

16 22. Armstrong admits the averments of this paragraph except
17 that he denies that he provided "paralegal assistance." Armstrong
18 did assist in drafting two evidentiary declarations, which he
19 personally executed as a witness.

20 23. Armstrong lacks knowledge or information sufficient to
21 form a belief as to the truth of the averments in this paragraph
22 and is therefore unable to admit or deny the same.

23 24. Armstrong denies each and every averment of this
24 paragraph.

25 25. Armstrong denies each and every averment of this
26 paragraph. Whatever assistance Armstrong gave Yanny in the
27 Aznaran litigation caused the ORG no damage, but assisted it in
28 its publicly stated goal of peace.

1 26. In answering the averments contained in this paragraph
2 wherein CSI adopts by reference paragraphs 1 through 16 and 18
3 through 25 of its averments, Armstrong admits, denies and avers to
4 the same effect and in the same manner as he admitted, denied and
5 averred with respect to those specific paragraphs as previously
6 set forth in this answer.

7 27. Armstrong admits the averments of this paragraph except
8 that he denies that Yanny indicated to CSI's counsel that he
9 represented Armstrong, and Armstrong denies that there exists any
10 order of injunction prohibiting Yanny from representing Armstrong
11 in any manner whatsoever in any matters relating to anyone.

12 28. Armstrong lacks knowledge or information sufficient to
13 form a belief as to the truth of the averments in this paragraph
14 and is therefore unable to admit or deny the same.

15 29. Armstrong denies each and every averment of this
16 paragraph. Armstrong adds, moreover, that if, as the ORG alleges,
17 the Court in RTC v. Yanny rejected Yanny's defense which was
18 supported by Armstrong's declarations, Armstrong could not with
19 those declarations have aided Yanny.

20 30. Armstrong admits that he attached the settlement
21 agreement to his July 16, 1991 declaration as an exhibit, but
22 denies that he had agreed to keep the terms of the agreement
23 confidential. Armstrong was under duress when signing the
24 agreement and did not ever agree with the unenforceable conditions
25 of the agreement including confidentiality regarding the agreement
26 itself. Nevertheless, he did not discuss the agreement until
27 after it was made public by the California Court of Appeal.
28 Armstrong filed the agreement under seal in the Court of Appeal.

1 February, 1990 in order to prevent a fraud upon the Court being
2 perpetrated by the ORG, and it was the Court of Appeal which sua
3 sponte unsealed the agreement. But prior to filing the agreement
4 in the Court of Appeal, Armstrong had already been relieved of any
5 conceivable obligation to keep the agreement confidential by the
6 ORG's divulging of its contents in other litigations, and
7 therefore waiving any right to have it remain confidential
8 thereafter.

9 31. Armstrong admits that he has never paid the ORG \$50,000,
10 but denies that the ORG has ever demanded payment of \$50,000,
11 denies that he owes \$50,000 to the ORG for anything and denies
12 that whatever he has done at any time was a breach of the
13 agreement. The agreement is illegal and against public policy and
14 the ORG has by its own acts sacrificed any right it ever may have
15 had to enforce any of its provisions.

16 32. In answering the averments contained in this paragraph
17 wherein CSI adopts by reference paragraphs 1 through 16, 18
18 through 25 and 27 through 31 of its averments, Armstrong admits,
19 denies and avers to the same effect and in the same manner as he
20 admitted, denied and averred with respect to those specific
21 paragraphs as previously set forth in this answer.

22 33. Armstrong admits the averments of this paragraph.

23 34. Armstrong admits that in August 1991 he began working in
24 Ford Greene's office and that his paralegal duties at that time
25 involved work on the Aznaran case. Armstrong denies that
26 thereafter the Aznarans hired John Elstead. Armstrong admits that
27 his employment in Greene's office has continued to the present,
28 but he denies that his activities constitute a daily and

1 continuing breach of any contract. The ORG's bargain has been
2 rendered a nullity, because it is the ORG which has, through its
3 attacks on Armstrong, its overweening reliance on Fair Game and
4 similar antisocial policies, and its attempt to force upon the
5 world an agreement illegal in the first place, done it to itself.

6 35. Armstrong denies each and every averment of this
7 paragraph.

8 36. In answering the averments contained in this paragraph
9 wherein CSI adopts by reference paragraphs 1 through 16, 18
10 through 25, 27 through 31 and 33 through 35 of its averments,
11 Armstrong admits, denies and avers to the same effect and in the
12 same manner as he admitted, denied and averred with respect to
13 those specific paragraphs as previously set forth in this answer.

14 37. Armstrong admits the averments of this paragraph except
15 that he denies that any of his actions are violations of the
16 agreement and that he is required to pay the ORG one penny in
17 liquidated damages.

18 38. Armstrong admits that he has not paid the ORG \$50,000,
19 but denies that the ORG ever made a demand for \$50,000 and denies
20 that whatever he has done is a breach of the agreement.

21 39. In answering the averments contained in this paragraph
22 wherein CSI adopts by reference paragraphs 1 through 16, 18
23 through 25, 27 through 31, 33 through 35 and 37 and 38 of its
24 averments, Armstrong admits, denies and avers to the same effect
25 and in the same manner as he admitted, denied and averred with
26 respect to those specific paragraphs as previously set forth in
27 this answer.

28 40. Armstrong admits the averments of this paragraph except

1 that he denies that the press release violated the agreement and
2 that the press release constituted disclosures of his experiences
3 with Scientology. Statements containing the same facts and
4 similar language are contained in the public file in this case in
5 which the ORG has sued Armstrong; therefore there is in the press
6 release no disclosure. Moreover, the ORG, by itself using
7 Armstrong's experiences in its litigations and to attack Armstrong
8 after the settlement lost any right it may have once had to
9 complain of Armstrong's discussing his experiences to counter its
10 attacks. The agreement's confidentiality provisions are
11 antithetical to civilized conduct, impossible to perform, contrary
12 to public policy and illegal.

13 41. Armstrong admits the averments of this paragraph except
14 that he denies that the distribution of the press release violated
15 the provisions of the agreement. By suing Armstrong publicly, by
16 attacking him publicly and by making public itself the conditions
17 of the agreement, including filing the agreement in open court,
18 the ORG waived any right it may have once had to object to
19 Armstrong's public discussion of the litigation or the agreement
20 it concerned. The agreement, moreover, is illegal; therefore it
21 is unenforceable and Armstrong is not bound by any part of it.

22 42. Armstrong denies each and every averment of this
23 paragraph.

24 43. In answering the averments contained in this paragraph
25 wherein CSI adopts by reference paragraphs 1 through 16, 18
26 through 25, 27 through 31, 33 through 35, 37, 38 and 40 through 42
27 of its averments, Armstrong admits, denies and avers to the same
28 effect and in the same manner as he admitted, denied and averred

1 with respect to those specific paragraphs as previously set forth
2 in this answer.

3 44. Armstrong admits that on March 20, 1992 he and Greene
4 granted the media interviews, but denies that such interviews were
5 additional. Armstrong denies that any such interviews violated
6 any part of the agreement. Armstrong admits that he stated that
7 he is an expert in the misrepresentations Hubbard made about
8 himself from the beginning of Dianetics until the day he died.
9 Armstrong admits that he is such an expert. Armstrong lacks the
10 information and knowledge sufficient to form a belief as to the
11 truth of the averment in this paragraph that Exhibit C to the
12 ORG's complaint is a true and correct transcription of the CNN
13 broadcast and is therefore unable to admit or deny the same.

14 45. Armstrong denies each and every averment of this
15 paragraph.

16 46. In answering the averments contained in this paragraph
17 wherein CSI adopts by reference paragraphs 1 through 16, 18
18 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42
19 and 44 and 45 of its averments, Armstrong admits, denies and avers
20 to the same effect and in the same manner as he admitted, denied
21 and averred with respect to those specific paragraphs as
22 previously set forth in this answer.

23 47. Armstrong admits that he agreed to appear voluntarily as
24 an expert witness in the Hunziker case. He denies that his
25 expertise is alleged and denies that his expertise is such that it
26 should be set off in the ORG's complaint in quotation marks. He
27 denies that his expertise is in Scientology, but rather in the
28 fraud of Scientology and the ORG's doctrine of Fair Game.

1 Armstrong admits that the World Institute of Scientology
2 Enterprises, Inc. is named as a defendant in the Hunziker case,
3 admits that it is an ORG dominated entity, but denies that it, nor
4 any other ORG entity, is protected by the agreement.

5 48. Armstrong admits that he met with Rummonds and Elstead,
6 attorneys for plaintiffs in the Hunziker case, but denies that he
7 discussed his experiences with any entities protected by the
8 agreement. Armstrong denies that any entities are protected by
9 the agreement because it is unenforceable on its face and,
10 moreover, has been rendered void by the ORG's post-settlement
11 attacks on Armstrong and its illegal efforts at enforcement.
12 Armstrong admits that he agreed to appear for plaintiffs as an
13 expert on the aspects of Scientology practices and beliefs of
14 fraud and Fair Game.

15 49. Armstrong admits the averments of this paragraph except
16 that he denies that he testified at length concerning CSI or any
17 other ORG affiliated entities and individuals protected by the
18 agreement, because no entities or individuals are protected by the
19 agreement due to the ORG's acts to contravene it.

20 50. Armstrong admits that he produced documents during his
21 March 3, 1992 deposition but denies that there are any documents
22 referred to in paragraph 46 of the ORG's complaint. Armstrong
23 denies moreover that any documents he produced at the deposition
24 were in violation of any agreement.

25 51. Armstrong admits that he appeared for a deposition on or
26 about March 12, 1992 in the Hunziker case. He denies that he
27 claimed he had been given a subpoena not by the deposing attorney.
28 Armstrong admits that he said he had been given a deposition

1 subpoena by attorney Elstead and that Elstead had filled out the
2 subpoena that morning. Armstrong admits that he refused to
3 produce the subpoena, but lacks the information or knowledge to
4 admit or deny the averment that it was not served on any of the
5 parties to the case. Armstrong admits that he delivered documents
6 to Elstead on or about March 8, 1992 and requested that he be
7 served with a subpoena, but denies that his delivery of documents
8 was in violation of the agreement.

9 52. Armstrong lacks the information or knowledge sufficient
10 to form a belief as to what the ORG learned in April 1992 so as to
11 that averment he cannot either admit or deny this allegation.
12 Armstrong does deny that he reacquired any documents which he had
13 previously returned to the ORG. And he denies that he produced
14 any such documents either to Elstead or to opposing counsel at any
15 time.

16 53. Armstrong denies each and every averment of this
17 paragraph.

18 54. In answering the averments contained in this paragraph
19 wherein CSI adopts by reference paragraphs 1 through 16, 18
20 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,
21 44, 45 and 47 through 52 of its averments, Armstrong admits,
22 denies and avers to the same effect and in the same manner as he
23 admitted, denied and averred with respect to those specific
24 paragraphs as previously set forth in this answer.

25 55. Armstrong denies each and every averment of this
26 paragraph except that he did testify on or about April 7, 1992 in
27 the Yanny case. The ORG compelled Armstrong to testify on that
28 date in that case. The ORG filed the agreement publicly months

1 before this deposition, and the ORG had forced Armstrong to file
2 the agreement in the Court of Appeal, which sua sponte, unsealed
3 it, because of the ORG's efforts to make him a party to its
4 subversion of the justice system. The ORG, moreover, divulged the
5 contents of the agreement at least as early as 1989, thus giving
6 up any right it may have had to keep it confidential.

7 56. Armstrong denies each and every averment of this
8 paragraph.

9 57. In answering the averments contained in this paragraph
10 wherein CSI adopts by reference paragraphs 1 through 16, 18
11 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,
12 44, 45, 47 through 52 and 55 of its averments, Armstrong admits,
13 denies and avers to the same effect and in the same manner as he
14 admitted, denied and averred with respect to those specific
15 paragraphs as previously set forth in this answer.

16 58. Armstrong denies each and every averment of this
17 paragraph.

18 59. Armstrong admits that he gave a declaration in the
19 Aznaran litigation on August 26, 1991, but denies that his action
20 was a violation of any provision of the agreement.

21 60. Armstrong admits that his declaration attached as
22 exhibits the two documents referred to in paragraph 58 of the
23 ORG's complaint, but denies that said attachment was in breach of
24 any provisions of the agreement.

25 61. Armstrong denies each and every averment of this
26 paragraph.

27 62. Armstrong denies each and every averment of this
28 paragraph.

1 63. In answering the averments contained in this paragraph
2 wherein CSI adopts by reference paragraphs 1 through 16, 18
3 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,
4 44, 45, 47 through 52, 54, 55 and 58 through 60 of its averments,
5 Armstrong admits, denies and avers to the same effect and in the
6 same manner as he admitted, denied and averred with respect to
7 those specific paragraphs as previously set forth in this answer.

8 64. Armstrong lacks the information or knowledge sufficient
9 to form a belief as to what the ORG learned in March 1992 so as to
10 that averment he cannot either admit or deny.

11 65. Armstrong denies each and every averment of this
12 paragraph.

13 66. Armstrong denies each and every averment of this
14 paragraph. He denies moreover that his giving voluntary
15 assistance to anyone not only does not harm the ORG but assists
16 the ORG, and that such voluntary assistance to anyone cannot be
17 proscribed by any agreement, and that any agreement which attempts
18 to proscribe voluntary assistance is against public policy,
19 violative of the Constitutional right to freedom of speech,
20 association, press and religion, and is unenforceable.

21 67. In answering the averments contained in this paragraph
22 wherein CSI adopts by reference paragraphs 1 through 16, 18
23 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,
24 44, 45, 47 through 52, 54, 55, 58 through 60 and 64 and 65 of its
25 averments, Armstrong admits, denies and avers to the same effect
26 and in the same manner as he admitted, denied and averred with
27 respect to those specific paragraphs as previously set forth in
28 this answer.

1 68. Armstrong admits the averments of this paragraph, but
2 denies that ORG entities CSI, CSC and RTC are protected by the
3 agreement, because they cannot be protected legally by an illegal
4 contract and they have acted themselves to vitiate and waive
5 whatever protection they might at one time have had, if any.

6 69. Armstrong admits that in his May 27, 1992 declaration he
7 did authenticate another declaration he had executed earlier.
8 Armstrong lacks the information or knowledge sufficient to form a
9 belief as to whether the transcript had at one time been ordered
10 sealed in the earlier action between him and the ORG, so as to
11 that averment he cannot either admit or deny. The transcript,
12 however, has been a public document since 1982, and the tape
13 recordings from which the transcript had originated have been
14 found by the 9th Circuit Court of Appeals to contain evidence of
15 criminal fraud and were released to the Criminal Investigation
16 Division of the IRS. Armstrong denies that any of his acts are
17 violations of any paragraphs of the agreement and denies that he
18 is required to pay one cent to CSI.

19 70. Armstrong denies each and every averment of this
20 paragraph.

21 71. In answering the averments contained in this paragraph
22 wherein CSI adopts by reference paragraphs 1 through 16, 18
23 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,
24 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65 and 68 and 69
25 of its averments, Armstrong admits, denies and avers to the same
26 effect and in the same manner as he admitted, denied and averred
27 with respect to those specific paragraphs as previously set forth
28 in this answer.

1 each and every allegation contained in paragraphs 1 through 16, 18
2 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,
3 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69 and
4 72 through 75 herein and allege as follows:

5 The complaint and each cause of action contained herein fails
6 to state a cause of action against these defendants upon which
7 relief can be granted.

8 **SECOND AFFIRMATIVE DEFENSE**

9 (This Court Cannot Enjoin The Practice Of A Profession)

10 78. Further answering said first amended complaint, and as a
11 second, separate and affirmative defense thereto, these answering
12 defendants allege as follows:

13 Any attempt by plaintiff to limit the ability to obtain
14 gainful employment by these answering defendants, or any of them,
15 is void and unenforceable as a matter of public policy, and
16 constitutes an unenforceable restraint on the right of defendants,
17 or any of them, to pursue their chosen profession.

18 **THIRD AFFIRMATIVE DEFENSE**

19 (Unclean Hands)

20 79. Further answering said first amended complaint, and as a
21 third, separate and affirmative defense thereto, these answering
22 defendants repeat, reallege and incorporate by reference herein
23 each and every allegation contained in paragraphs 1 through 16, 18
24 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,
25 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72
26 through 75, 77, 78, and 80 through 88 herein and allege as
27 follows:

28 Plaintiff is barred from bringing this action against these

1 defendants and/or obtaining the equitable relief requested herein
2 under the doctrine of unclean hands.

3 **FOURTH AFFIRMATIVE DEFENSE**

4 (In Pari Delicto)

5 80. Further answering said first amended complaint, and as a
6 fourth, separate and affirmative defense thereto, these answering
7 defendants repeat, reallege and incorporate by reference herein
8 each and every allegation contained in paragraphs 1 through 16, 18
9 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,
10 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72
11 through 75, 77 through 79, and 81 through 88, herein and allege as
12 follows:

13 Notwithstanding the things alleged of defendants in the
14 complaint, which are denied in the applicable paragraphs herein,
15 plaintiffs' and its counsels' conduct in connection with the
16 events giving rise to this action bars plaintiff from recovery
17 with regard to the complaint under the doctrine of in pari
18 delicto.

19 **FIFTH AFFIRMATIVE DEFENSE**

20 (Illegality)

21 81. Further answering said first amended complaint, and as a
22 fifth, separate and affirmative defense thereto, these answering
23 defendants repeat, reallege and incorporate by reference herein
24 each and every allegation contained in paragraphs 1 through 16, 18
25 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,
26 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72
27 through 75, 77 through 80, and 82 through 88, herein and allege as
28 follows:

1 Plaintiff is barred from bringing this action as a result of
2 its acts of illegality in connection with matters that give rise
3 to this case. Particularly plaintiff and other Scientology-
4 related entities engaged in a wholesale attempt to obstruct
5 justice, suppress evidence in order to deny redress, due process,
6 and equal protection of the law to its civil and criminal victims
7 by means of obtaining settlements of litigation in actions in
8 various state and federal courts across the United States. In
9 each of those actions attorney Michael J. Flynn was attorney of
10 record, or coordinating counsel for litigants adverse to
11 Scientology. In each of those actions litigants adverse to
12 Scientology were coerced into signing secret settlement agreements
13 the terms of which were substantially similar to those set forth
14 in the settlement agreement at issue herein.

15 Plaintiff is further barred from bringing this action because
16 as a material part of entering the settlement agreement with
17 defendant, plaintiff required defendant's counsel, Michael Flynn,
18 to sign secret side agreements for indemnification for resolution
19 of the retrial of Armstrong I were plaintiff and other
20 Scientology-related entities successful in obtaining reversal of
21 Judge Breckenridge's decision on appeal. In such agreement
22 Scientology promised to limit its collections of damages to
23 \$25,001.00 and to indemnify Flynn for the payment thereof and
24 Flynn, in turn, would indemnify Armstrong for any such judgment.
25 The existence of these secret, side agreements were never
26 disclosed to Armstrong by Flynn, plaintiff, or other Scientology-
27 related entities.

28 Plaintiff is further barred from bringing this action because

1 as a material part of entering said settlement agreements, it or
2 its agents required attorney Flynn to promise never to take any
3 anti-Scientology cases in the future. Thereafter, although Flynn
4 has refused to provide any declarations for defendant Armstrong,
5 he has been willing to provide documentary assistance to
6 Scientology.

7 Plaintiff is further barred from bringing this action as a
8 result of its acts of illegality in connection with the commission
9 of acts giving rise to the action entitled Aznaran v. Church of
10 Scientology of California, Case No C88-1786 JMI (Ex) in the United
11 States District Court for the Central District of California (the
12 "Aznaran case"); conduct by plaintiff, its counsel and others,
13 including but not limited to the making of certain settlement
14 proposals to Barry Van Sickle, Esq., for direct communication to
15 Vicki and Richard Aznaran ("the Aznarans") knowing that Van Sickle
16 had been disqualified from representing the Aznarans, and knowing
17 that the Aznarans at the time were represented by Ford Greene and
18 participating in conduct which resulted in the Aznarans (in hopes
19 of facilitating settlement and in accordance with plaintiff's
20 conditions) dismissing their counsel, Ford Greene, whereupon while
21 the Aznarans were in pro per, plaintiff withdrew any offer of
22 settlement and commenced loading up the record with voluminous,
23 sophisticated and dispositive motions, including but not limited
24 to two for summary judgment. In consequence thereof defendant
25 Armstrong only provided aid and assistance to counsel whom the
26 Aznarans subsequently employed for the purpose of preserving their
27 rights to redress, due process and equal protection of the law.

28 Furthermore, other acts of illegality by plaintiff and other

1 Scientology-related entities have been publicly documented.
2 Plaintiffs have engaged in acts of impropriety, as set forth
3 above, and including what the District Court in the Aznaran case
4 referred to in a written order, entered after most of the events
5 in issue herein, as "outrageous litigation tactics." Also, in
6 addition to the Flynn settlement agreements the conduct of
7 plaintiff and other Scientology-related organizations, entities
8 and individuals against persons "adverse to Scientology" including
9 citizens, counsel, judges and government authorities (including
10 but not limited to illegal surveillance, obtaining telephone
11 company records, breaking and entering, threatening conduct, and
12 violence) have discouraged and intimidated knowledgeable persons
13 from disclosing their knowledge about, or otherwise coming forward
14 against, the illegal activities of plaintiff and other
15 Scientology-related organizations, entities and individuals, and
16 from assisting victims thereof to obtain redress, due process and
17 equal protection of the law.

18 SIXTH AFFIRMATIVE DEFENSE

19 (Fraud and Deceit)

20 82. Further answering said first amended complaint, and as a
21 sixth, separate and affirmative defense thereto, these answering
22 defendants repeat, reallege and incorporate by reference herein
23 each and every allegation contained in paragraphs 1 through 16, 18
24 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,
25 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72
26 through 75, and 81 through 88, herein and allege as follows:

27 Plaintiff is barred from bringing this action against these
28 defendants, and each of them, because of its fraud and deceit in

1 representing to defendants, and each of them, that its management
2 had changed and no longer would engage in illegal activities, that
3 it wanted to buy peace, that it would leave defendants, and each
4 of them alone, and that the false affidavit that it required
5 Armstrong to sign as a condition of the settlement would be
6 disclosed only if Armstrong attacked the ORG. Plaintiff made the
7 foregoing representations to defendants, and each of them, with
8 knowledge of the falsity thereof at the time said representations
9 were made and with the intent to deceive defendants, and each of
10 them, who actually and justifiably relied on those material
11 misrepresentations to their injury by signing the settlement
12 agreement. In fact, plaintiff and other Scientology-related
13 organizations, entities and individuals never intended to cease
14 their illegal and immoral activities, never intended to buy peace
15 with defendants, and each of them, never intended to leave
16 Armstrong alone, never intended not to use the false declaration
17 only if Armstrong attacked the ORG, and never intended to abide by
18 the terms of the settlement agreement. Rather plaintiff and other
19 Scientology-related entities intended to use the settlement
20 agreement as a tool for the implementation of the Fair Game Policy
21 and Scientology's litigation tactics so as to engineer a reversal
22 of Judge Breckenridge's decision in Armstrong I, to collusively
23 resolve any re-trial of Armstrong I, to obtain possession of the
24 so-called MCCS tapes which were evidence of Scientology employing
25 attorneys for the purpose of committing future crimes and frauds,
26 to use the false declaration in other litigation without regard to
27 Armstrong's conduct, and to otherwise obstruct justice and
28 suppress evidence of facts which discredited plaintiff and other

1 Scientology-related entities.

2 Said Fair Game Policy states that any enemy of Scientology
3 "[m]ay be deprived of property or injured by any means
4 by any Scientologist without any discipline of the
5 Scientologist. May be tricked, sued or lied to or
6 destroyed."

7 Scientology's litigation strategy is as follows:

8 "The law can be used very easily to harass, and enough
9 harassment on somebody who is simply on the thin edge
10 anyway, well knowing that he is not authorized, will
11 generally be sufficient to cause his professional
12 decease. If possible, of course, ruin him utterly."

13 From the outset, prior to the execution of the settlement
14 agreement with defendant, and the execution of all other Flynn
15 settlement agreements, it was the intent of plaintiff and other
16 Scientology-related organizations, entities and individuals to
17 continue to wage war on and harass Armstrong, to continue to
18 engage in illegal activities and conduct, and to suppress evidence
19 and obstruct justice by means of said agreements and to use said
20 agreements as a tool of Fair Game and the litigation strategy of
21 ruin in order to ensure that information regarding Scientology's
22 crimes and civil misconduct would stay suppressed, and its
23 criminal and civil victims would be denied legal redress and
24 justice.

25 Moreover, Flynn advised Armstrong that he would always be
26 available in the future to represent Armstrong if Armstrong had to
27 litigate with the ORG in the future. Said statement was false and
28 misleading because Flynn had signed an agreement with the ORG

1 promising not to represent anti-ORG litigants in the future.
2 Armstrong relied on the truth of Flynn's statement in signing the
3 settlement agreement.

4 **SEVENTH AFFIRMATIVE DEFENSE**

5 (Estoppel)

6 83. Further answering said first amended complaint, and as a
7 seventh, separate and affirmative defense thereto, these answering
8 defendants repeat, reallege and incorporate by reference herein
9 each and every allegation contained in paragraphs 1 through 16, 18
10 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,
11 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72
12 through 75, 81, 82 and 84 through 88, herein and allege as
13 follows:

14 Plaintiff is equitably estopped from asserting each and all
15 of the purported causes of action in the complaint by reason of
16 its own acts, omissions, and conduct, or that of its agents,
17 including, but not limited to the fact that it violated the
18 settlement agreement in that it or its agents provided information
19 from Armstrong I that was the subject of the settlement agreement
20 to various persons and in various litigation including but not
21 limited to The London Sunday Times, The Los Angeles Times, the
22 instant litigation, the Corydon litigation, and in Church of
23 Scientology of California v. Russell Miller and Penguin Books
24 Limited in the High Court of Justice, Case No. 6140 in London,
25 England, where a Scientology-related entity filed multiple
26 affidavits attacking defendant Armstrong.

27 As yet a further basis for barring plaintiff on the ground of
28 estoppel, defendant has requested plaintiff and other Scientology-

1 related entities to release Flynn and his other former attorneys
2 from the agreements they signed never to represent Armstrong
3 again, and plaintiff and said entities have refused to do so.

4 **EIGHTH AFFIRMATIVE DEFENSE**

5 **(Waiver)**

6 84. Further answering said first amended complaint, and as
7 an eighth, separate and affirmative defense thereto, these
8 answering defendants repeat, reallege and incorporate by reference
9 herein each and every allegation contained in paragraphs 1 through
10 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40
11 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65,
12 68, 69, 72 through 75, 81, 82, and 83, herein and allege as
13 follows:

14 Plaintiff is barred from bringing this action against these
15 defendants, and each of them, by reason of their own acts,
16 omissions and conduct, or that of its agents.

17 **NINTH AFFIRMATIVE DEFENSE**

18 **(Mistake Of Law)**

19 85. Further answering said first amended complaint, and as a
20 ninth, separate and affirmative defense thereto, these answering
21 defendants repeat, reallege and incorporate by reference herein
22 each and every allegation contained in paragraphs 1 through 16, 18
23 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,
24 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72
25 through 75, 81 through 84, and 86 through 88, herein and allege as
26 follows:

27 Plaintiff is barred from bringing this action against these
28 defendants, and each of them, because defendant Armstrong's former

1 attorney, Michael Flynn, advised said defendant that the
2 provisions of the settlement agreement that plaintiff is seeking
3 to enforce herein were not in any way enforceable. Armstrong
4 relied on such representations, but for which he would not have
5 signed said settlement agreement.

6 **TENTH AFFIRMATIVE DEFENSE**

7 **(Mistake Of Fact)**

8 86. Further answering said first amended complaint, and as a
9 tenth, separate and affirmative defense thereto, these answering
10 defendants repeat, reallege and incorporate by reference herein
11 each and every allegation contained in paragraphs 1 through 16, 18
12 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,
13 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72
14 through 75, 81 through 85, 87, and 88, herein and allege as
15 follows:

16 Plaintiff is barred from bringing this action against these
17 defendants, and each of them, because defendant Armstrong's former
18 attorney, Michael Flynn, advised said defendant that the
19 provisions of the settlement agreement that plaintiff is seeking
20 to enforce herein were not in any way enforceable. Armstrong
21 relied on such representations, but for which he would not have
22 signed said settlement agreement.

23 **ELEVENTH AFFIRMATIVE DEFENSE**

24 **(Conflict of Interest)**

25 87. Further answering said first amended complaint, and as a
26 tenth, separate and affirmative defense thereto, these answering
27 defendants repeat, reallege and incorporate by reference herein
28 each and every allegation contained in paragraphs 1 through 16, 18

1 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,
2 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72
3 through 75, 81 through 86, and 88, herein and allege as follows:

4 Plaintiff is barred from bringing this action against these
5 defendants, and each of them, because defendant Armstrong's former
6 attorney, Michael Flynn, in conjunction with settling Armstrong's
7 case against Scientology-related entities, also settled 30 other
8 cases, including cases of his own against Scientology-related
9 defendants without procuring outside counsel for defendant.

10 TWELFTH AFFIRMATIVE DEFENSE

11 (Duress and Undue Influence)

12 88. Further answering said first amended complaint, and as a
13 Twelfth, separate and affirmative defense thereto, these answering
14 defendants repeat, reallege and incorporate by reference herein
15 each and every allegation contained in paragraphs 1 through 16, 18
16 through 25, 27 through 31, 33 through 35, 37, 38, 40 through 42,
17 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65, 68, 69, 72
18 through 75, 81 through 87, herein and allege as follows:

19 Plaintiff is barred from bringing this action against these
20 defendants, and each of them, because plaintiff and other
21 Scientology-related organizations, entities and individuals had
22 implemented Fair Game Policy stratagems on defendant Armstrong's
23 attorney, Michael J. Flynn and upon other anti-Scientology
24 litigants and would continue such conduct against all such persons
25 unless all said anti-Scientology litigants, including Flynn,
26 signed settlement agreements substantially similar to that signed
27 by defendant Armstrong.

28 Further, in early December 1986, attorney Flynn and other

1 anti-Scientology litigants, postured Armstrong as a deal breaker,
2 by stating that their desires to settle would be ruined unless
3 defendant Armstrong agreed to settle and led him to believe if he
4 did not sign the agreement, they would not cooperate in such event
5 by acting as Armstrong's witnesses and zealous advocate on the
6 trial of his cross-complaint against Scientology set to commence
7 shortly thereafter in Armstrong I.

8 **THIRTEENTH AFFIRMATIVE DEFENSE**

9 (Laches)

10 89. Further answering said first amended complaint, and as a
11 thirteenth, separate and affirmative defense thereto, these
12 answering defendants allege as follows:

13 Plaintiff is barred from bringing this action against these
14 defendants, and each of them, on the grounds of laches.

15 **FOURTEENTH AFFIRMATIVE DEFENSE**

16 (Impossibility)

17 90. Further answering said first amended complaint, and as a
18 fourteenth, separate and affirmative defense thereto, these
19 answering defendants allege as follows:

20 Plaintiff is barred from bringing this action against these
21 defendants, and each of them, on the grounds of impossibility.

22 **FIFTEENTH AFFIRMATIVE DEFENSE**

23 (Frustration of Contractual Purpose)

24 91. Further answering said first amended complaint, and as a
25 fifteenth, separate and affirmative defense thereto, these
26 answering defendants allege as follows:

27 Plaintiff is barred from bringing this action against these
28 defendants, and each of them, on the grounds of frustrating

1 defendants', and each of their, ability to perform the terms of
2 the settlement agreement.

3
4 **SIXTEENTH AFFIRMATIVE DEFENSE**

5 **(Unfair and Unreasonable Contract)**

6 92. Further answering said first amended complaint, and as a
7 sixteenth separate and affirmative defense thereto, these
8 answering defendants allege as follows:

9 Plaintiff is barred from bringing this action against these
10 defendants, and each of them, on the grounds that the settlement
11 agreement is unreasonable and unfair as to defendant Armstrong.

12 **SEVENTEENTH AFFIRMATIVE DEFENSE**

13 **(Lack of Mutuality)**

14 93. Further answering said first amended complaint, and as a
15 seventeenth, separate and affirmative defense thereto, these
16 answering defendants allege as follows:

17 Plaintiff is barred from bringing this action against these
18 defendants, and each of them, on the grounds that the settlement
19 agreement, as interpreted by plaintiff, lacks in reciprocity and
20 mutuality.

21 **EIGHTEENTH AFFIRMATIVE DEFENSE**

22 **(Ambiguity)**

23 94. Further answering said first amended complaint, and as a
24 eighteenth, separate and affirmative defense thereto, these
25 answering defendants allege as follows:

26 Plaintiff is barred from bringing this action against these
27 defendants, and each of them, on the grounds that the settlement
28 agreement is ambiguous and incapable of enforcement.

1 answering defendants allege as follows:

2 Plaintiff is barred from bringing this action against these
3 defendants, and each of them, on the grounds that the settlement
4 agreement would work an unfair hardship on defendants, and each of
5 them.

6 TWENTY-THIRD AFFIRMATIVE DEFENSE

7 (Offset)

8 99. Further answering said first amended complaint, and as a
9 twenty-third, separate and affirmative defense thereto, these
10 answering defendants allege as follows:

11 Any damages that plaintiff has suffered in consequence of the
12 alleged conduct is exceeded by the damages suffered by defendants,
13 and each of them, in consequence of the misconduct of plaintiff,
14 and plaintiff's agents' acts of Fair Game and therefore plaintiff
15 should take nothing.

16 TWENTY-FOURTH AFFIRMATIVE DEFENSE

17 (Liquidated Damages Act As Penalty)

18 100. Further answering said first amended complaint, and as a
19 twenty-fourth, separate and affirmative defense thereto, these
20 answering defendants allege as follows:

21 Plaintiff is barred from bringing this action against these
22 defendants, and each of them, on the grounds that the settlement
23 agreement's provision of liquidated damages is not an
24 approximation of damage, but is intended to act and does act as a
25 penalty.

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1 TWENTY-FIFTH AFFIRMATIVE DEFENSE

2 (First Amendment - Religion)

3 101. Further answering said first amended complaint, and as a
4 twenty-fifth, separate and affirmative defense thereto, these
5 answering defendants allege as follows:

6 Plaintiff is barred from bringing this action against these
7 defendants, and each of them, on the grounds that the settlement
8 agreement violates defendants', and each of them, right to freedom
9 of religion guaranteed by the state and federal constitutions.

10 TWENTY-SIXTH AFFIRMATIVE DEFENSE

11 (First Amendment - Speech)

12 102. Further answering said first amended complaint, and as a
13 twenty-sixth, separate and affirmative defense thereto, these
14 answering defendants allege as follows:

15 Plaintiff is barred from bringing this action against these
16 defendants, and each of them, on the grounds that the settlement
17 agreement violates defendants', and each of them, right to freedom
18 of speech guaranteed by the state and federal constitutions.

19 TWENTY-SEVENTH AFFIRMATIVE DEFENSE

20 (First Amendment - Press)

21 103. Further answering said first amended complaint, and as a
22 twenty-seventh, separate and affirmative defense thereto, these
23 answering defendants allege as follows:

24 Plaintiff is barred from bringing this action against these
25 defendants, and each of them, on the grounds that the settlement
26 agreement violates defendants', and each of them, right to freedom
27 of press guaranteed by the state and federal constitutions.

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TWENTY-EIGHTH AFFIRMATIVE DEFENSE

(First Amendment - Association)

104. Further answering said first amended complaint, and as a twenty-eighth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the settlement agreement violates defendants', and each of them, right to freedom of association guaranteed by the state and federal constitutions.

TWENTY-NINTH AFFIRMATIVE DEFENSE

(Privacy)

105. Further answering said first amended complaint, and as a twenty-ninth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants', and each of them, on the grounds that the settlement agreement violates defendants, and each of them, right of privacy guaranteed by the state and federal constitutions.

THIRTIETH AFFIRMATIVE DEFENSE

(Implied Covenant of Good Faith and Fair Dealing)

106. Further answering said first amended complaint, and as a thirtieth, separate and affirmative defense thereto, these answering defendants allege as follows:

Plaintiff is barred from bringing this action against these defendants, and each of them, on the grounds that the conduct of plaintiff and its agents violates the implied covenant of good faith and fair dealing.

///

1 Plaintiff's complaint, and plaintiff's claims for equitable
2 relief and for damages, are barred by the doctrine of collateral
3 estoppel.

4 **THIRTY-FOURTH AFFIRMATIVE DEFENSE**

5 (Failure to Mitigate Damages)

6 110. Further answering said first amended complaint, and as a
7 thirty-fourth, separate and affirmative defense thereto, these
8 answering defendants allege as follows:

9 Plaintiff, and/or its agent, and/or its counsel, failed to
10 take proper and reasonable steps to avoid or mitigate the damages
11 alleged in the amended complaint, and to the extent of such
12 failure to mitigate or to avoid, damages allegedly incurred by
13 plaintiff, if any, should be reduced accordingly.

14 **THIRTY-FIFTH AFFIRMATIVE DEFENSE**

15 (Action Barred By Equity and Civil Code Provisions)

16 111. Further answering said first amended complaint, and as a
17 thirty-fifth, separate and affirmative defense thereto, these
18 answering defendants repeat, reallege and incorporate by reference
19 herein each and every allegation contained in paragraphs 1 through
20 16, 18 through 25, 27 through 31, 33 through 35, 37, 38, 40
21 through 42, 44, 45, 47 through 52, 54, 55, 58 through 60, 64, 65,
22 68, 69, 72 through 75, 81 through 88, herein and allege as
23 follows:

24 Plaintiff is barred from judicial relief by the general
25 principles of equity and the specific provisions of Part IV of the
26 Civil Code, including but not limited to §§ 3512, 3517, 3519,
27 3524, (without any admission of wrongdoing by defendants) and
28 3533.

1 protected by the state constitution and by the Sixth Amendment to
2 the federal constitution.

3 **FORTY-SECOND AFFIRMATIVE DEFENSE**

4 (Public Domain)

5 118. Further answering said first amended complaint, and as a
6 forty-second, separate and affirmative defense thereto, these
7 answering defendants allege as follows:

8 Plaintiff is barred from judicial relief because the
9 information that defendants, and each of them, are accused of
10 disclosing is in the public domain.

11 **FORTY-THIRD AFFIRMATIVE DEFENSE**

12 (Privilege)

13 119. Further answering said first amended complaint, and as a
14 forty-third, separate and affirmative defense thereto, these
15 answering defendants allege as follows:

16 Plaintiff is barred from judicial relief because the acts
17 that defendants, and each of them, are accused of having committed
18 are privileged.

19 **DEMAND FOR JURY TRIAL**

20 Defendants, and each of them, hereby demand this case be
21 tried by a jury.

22 **WHEREFORE**, Defendant Armstrong prays for relief as follows:

- 23 1. That CSI takes nothing by its complaint;
24 2. That Armstrong recover his costs of suit herein;
25 3. That Armstrong recover his attorney's fees and costs of
26 defending the suit herein;
27 4. That the Court award such further relief as it may deem
28 proper.

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Respectfully submitted,

DATED: October 7, 1992

HUB LAW OFFICES

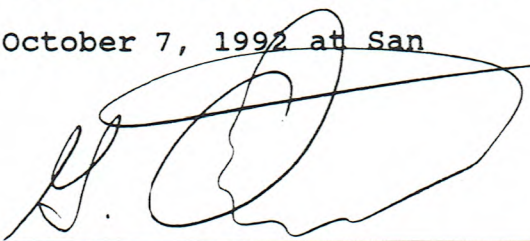


By: FORD GREENE
Attorney for Defendant

VERIFICATION

I, the undersigned, am one of the defendants in the above entitled action. I know the contents of the foregoing Amended Answer to Amended Complaint I certify that the same is true of my own knowledge, except as to the matters which are therein stated upon my information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct according to the laws of the State of California and that this declaration was executed on October 7, 1992 at San Anselmo, California.

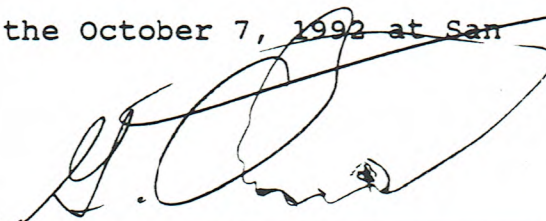
By: 
GERALD ARMSTRONG

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VERIFICATION

I, the undersigned, am an officer of defendant The Gerald Armstrong Corporation in the above entitled action. I know the contents of the foregoing Amended Answer to Amended Complaint I certify that the same is true of my own knowledge, except as to the matters which are therein stated upon my information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct according to the laws of the State of California and that this declaration was executed on the October 7, 1992 at San Anselmo, California.

By: 
GERALD ARMSTRONG

THE DOCUMENT TO WHICH THIS CERTIFICATE IS
ATTACHED IS A FULL, TRUE, AND CORRECT COPY
OF THE ORIGINAL ON FILE AND OF RECORD IN
MY OFFICE.

ATTEST MAR 01 1994

EDWARD M. KRITZMAN

Executive Officer/Clerk of the Superior
Court of California, County of Los Angeles.

By *[Signature]* Deputy

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Boulevard, Suite 2000, Los Angeles, CA 90028.

On March 1, 1994, I served the foregoing document described as SECOND REQUEST FOR JUDICIAL NOTICE on interested parties in this action,

[] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [] the original [X] true copies thereof in sealed envelopes addressed as follows:

FORD GREENE
HUB Law Offices
711 Sir Francis Drake Blvd.
San Anselmo, CA 94960-1949

MICHAEL WALTON
P.O. Box 751
San Anselmo, CA 94979

[X] BY MAIL

[] *I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[X] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

Executed on March 1, 1994, at Los Angeles, California.

[] **(BY PERSONAL SERVICE) I delivered such envelopes by hand to the offices of the addressees.

Executed on _____, at Los Angeles, California.

[] BY FACSIMILE TRANSMISSION: From FAX No. (213) 953-3351 to the below persons at the facsimile numbers indicated, at _____.m., directed to the below addresses. The facsimile machine I used complied with Rule 2003(3), and no error was reported by the machine. Pursuant to Rule 2005(i), I caused the machine to print records of the transmissions, copies of which are attached to this declaration.

FORD GREENE
HUB Law Offices
711 Sir Francis Drake Blvd.
San Anselmo, CA 94960-1949
FAX No. (415) 456-5318

MICHAEL WALTON
P.O. Box 751
San Anselmo, CA 94979
FAX No. (415) 394-8560

Executed on _____, at Los Angeles, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Print or Type Name

Signature

* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

** (For personal service signature must be that of messenger)